BRITAIN'S POWER SHIFT

Herald INTERNATIONAL Tribune

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Labour Takes Over as 'Curtain Falls' on Tories

By Fred Barbash
Washington Post Service

LONDON — As the last results of the general election straggled in Friday afternoon, as the vanquished left No. 10 Downing Street and the victor accepted the queen's "kind offer" to move in, as the simple majesty of this nation's transfer of power unfolded, Britain surveyed with amazement the near obliteration of the Conservative Party, once the political juggernaut of Europe.

A modest British-style motorcade — three cars and some police motorcycles — escorted the Labour Leader, Tony Blair, from his home to Buckingham Palace, where he was asked, and agreed, to form a government, ending 18 years of Conservative rule.

Earlier, Mr. Blair's defeated rival, John Major, submitted his resignation to the queen. He also announced that he would resign as leader of the Conservative Party, setting off a battle among survivors to take his place.

"When the curtain falls, it's time to get off the stage," said Mr. Major, who looked relieved as he left the prime minister's official residence, his party having suffered its first general election loss since 1974.

"I am sorry for all those who lost," said former Prime Minister Margaret Thatcher, who was ousted by her party rather than defeated by the voters. "It's an experience I never had."

The television maps of Britain — which portray Conservative-voting parliamentary constituencies in blue — were bathed in red, the color of Labour. The Tories were wiped out in Scotland and Wales, now Tory-free zones. In London alone, the party lost 30 seats, free-falling to 11 from 41.

The best-known and least-known of Tories suffered equally. The lofty men who usually survive, the foreign secretary, the defense secretary, the trade and industry secretary and a raft of ministers and junior ministers, lost seats in Parliament that some had held for decades. People are calling it a "mass culling."

"A tidal wave has burst over the Conservative Party," said David Mellor, one of those ousted in London. "It wasn't a question of putting your hand in the dike. It was a question of the sea wall collapsing around you."

Labour captured about 43.5 percent of the popular vote, compared with 30.7 percent for the Conservatives, 16.8 percent for the Liberal Democrats and the balance for "others," who included Gerry Adams, head of Sinn Fein, the political wing of the Irish Republican Army.

The Conservative Party, which controlled the 659-member House of Commons with 331 seats, now has 161, its lowest number since 1932. Labour shot from 271 to 419, its best performance ever, bringing it back to government in style after 23 years without a general election victory.

People should not have been shocked. The polls were forecasting such a rout. But because the pollsters were wrong in the 1992 election, few took them too seriously.

The sheer number of seats the Tories lost was

See BLAIR, Page 5

U.S. Jobs: Best Rate Since 1973

Seeing No Inflation, Markets Advance

By Mitchell Martin
International Herald Tribune

NEW YORK — American unemployment fell below 5 percent in April for the first time since December 1973, government data released Friday showed, as the U.S. economy added 142,000 jobs without showing serious signs of inflation.

Added to recent data on economic growth and wages, the report of 4.9 percent unemployment last month was generally regarded as good news for investors and workers. Stock prices rose and bonds were stable after significant gains earlier in the week.

Economists were divided about the implications for inflation and thus interest rates, although many said that while central bankers were likely to tighten U.S. credit conditions this month, the outlook for investors remained favorable.

There is "tremendous prosperity" in the United States, said Ed-

See JOBS, Page 10

The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.7295	1.7225
Pound	1.622	1.6227
Yen	126.595	126.55
FF	5.8353	5.8071

The Dow		
	Friday close	previous close
+94.72	7071.20	6976.48

S&P 500		
change	Friday @ 4 P.M.	previous close
+14.48	812.51	798.03

Washington Budget Pact

President Clinton and Republican congressional leaders announced agreement Friday on a plan to balance the budget by the year 2002. Page 3.

Ian Waldie/Reuters

Tony Blair greeting well-wishers as he arrived Friday at No. 10 Downing Street. "Today we are charged with the deep responsibility of governing," he declared, before appointing the top members of his cabinet.

Blair Exorcises the Ghosts of the Past

But Demons Lurk in His Party's Promises on Taxes and Spending

By Fred Barbash
Washington Post Service

LONDON — It is plausible to predict that in substance the new government of Britain will be totally different from the old. It is also plausible to predict that it will be pretty much the same.

It is also possible to predict a long honeymoon, a short one or none at all; a fiscal and budgetary triumph or a fiscal and budgetary disaster; Britain at the "heart of Europe," or Britain somewhere near the extremities.

The campaign of the Labour Party leader, Tony Blair, was devoted largely to exorcising ghosts of Labour past — heavy taxation, profligate government spending, unbridled union power — and to guaranteeing that his will be the first Labour government to serve two full five-year terms.

Thus, it was as much about what he would not do as what he would do, allowing for any number of scenarios. He boasted at once of his program's "modesty" and of a government that could be "more radical than anybody thinks."

There are, however, a few certainties for change, assuming Mr. Blair makes good on his specific pledges. Britain will get a minimum wage law, opposed by the Conservatives, with the level of the minimum to be determined by a commission. Workers will get a right to choose a union and the unions a right to be recognized, through workplace balloting procedures similar to those in the United States.

NEWS ANALYSIS

The Blair government will enact Britain's first freedom of information act, in theory helping to make one of Europe's most secretive governments more open. And Scotland and Wales will get referendums on whether to have limited home rule assemblies. With those measures lined up and ready to go, his first few months are likely to be relatively productive and smooth.

Unlike many an American president, Mr. Blair should not have to deal with messy controversies over cabinet appointments or uncooperative legislatures. In Britain's system, his top cabinet choices are already known, and the only legislature around is the House of Commons, where the prime minister is, by definition, leader of the majority.

In addition, the John Major government of the past three years will not be a hard act to follow. A Conservative government at war with itself, struggling with scandals and broken promises, stumbling around "mad cow" disease

See LABOUR, Page 4

Hopes Rise That Britain Will Warm To Europe

Free Hand for Blair Is Seen on Continent As a Plus in EU Talks

By Tom Buerkle
International Herald Tribune

BRUSSELS — European leaders greeted the landslide victory of Tony Blair with relief and measured optimism on Friday, saying they believed the Labour leader would be a more-reliable partner than John Major even as they expect his government to maintain much of Britain's inherent skepticism toward further European integration.

The reaction reflected the view that it was the size of Mr. Blair's victory, rather than his stand on European issues, that portended an end to the obstruction and harsh rhetoric that have marred Britain's relations with its Continental partners in recent years.

Mr. Blair successfully outflanked Mr. Major on Europe during the campaign, matching his skepticism about abandoning the pound for a single currency and vowing to defend Britain's right to veto European policies on defense and border controls.

But Labor's overwhelming parliamentary majority should enable Mr. Blair to negotiate freely in Europe without having to bow to the demands of nationalistic elements in his party, or of the now-devastated Conservative opposition, European officials believe.

"I know very well that the difficulties have not all suddenly disappeared," said Foreign Minister Hans van Mierlo of the Netherlands, which holds the presidency of the 15-country European Union.

But declaring himself optimistic, Mr. van Mierlo added, "There's an enormous majority for Tony Blair, so if he wants, there is room in which we can perhaps find consensus on important questions."

Although Mr. Blair brings as much a change in style as in substance to the EU table, the Labor landslide could transform European politics far more profoundly if it bolsters leftist parties in France and Germany.

French parties vied for Mr. Blair's coattails ahead of parliamentary elections on May 25 and June 1. The Socialist leader, Lionel Jospin, claimed that Labour's triumph demonstrated the need for a change of government, while Michel Barnier, the conservative minister for European affairs, attributed the success to Mr. Blair's repudiation of "outmoded" socialist ideology.

Chancellor Helmut Kohl cited the British result as a rejection of Euroskepticism, underscoring his drive to win a fifth term next year by championing the cause of monetary and political union in Europe.

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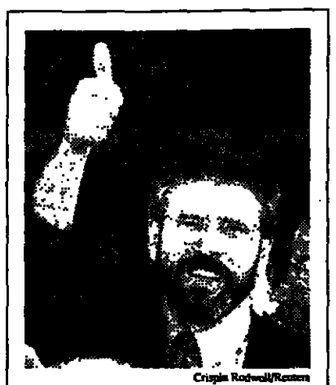


Crispin Rodwell/Reuters

THUMBS UP— Gerry Adams of Sinn Fein signifying victory.

Sinn Fein Gains 2 of Ulster's Seats

In the strongest showing it has ever made in a British national election, Sinn Fein, the political wing of the Irish Republican Army, won in voting for two of Northern Ireland's seats in the British Parliament, results showed Friday. Page 5.

London Stocks Rise

The London stock market saluted Tony Blair's huge majority, with the FT-SE index rising 10.6 points to 4,455.6. But the pound slipped. Page 9.

Hints for Germans?

The Social Democratic Party, Germany's divided opposition party, is looking for strategy pointers from the landslide Labour triumph in Britain. Page 5.

Meeting With Mobutu Delayed

Rebel Balks, Apparently Over Security Arrangements

Compiled by Our Staff From Dispatches

LUANDA, Angola — The Zairian rebel leader, Laurent Kabila, pulled out of international peace talks intended to bring him into negotiations with President Mobutu Sese Seko on Friday, an official source in Angola said.

The source said that Mr. Kabila would not join Marshal Mobutu and President Nelson Mandela of South Africa aboard a South African Navy ship off the coast of Central Africa, as planned.

He said the South African deputy president, Thabo Mbeki, "has gone back to the boat to explain that Kabila is not coming tonight."

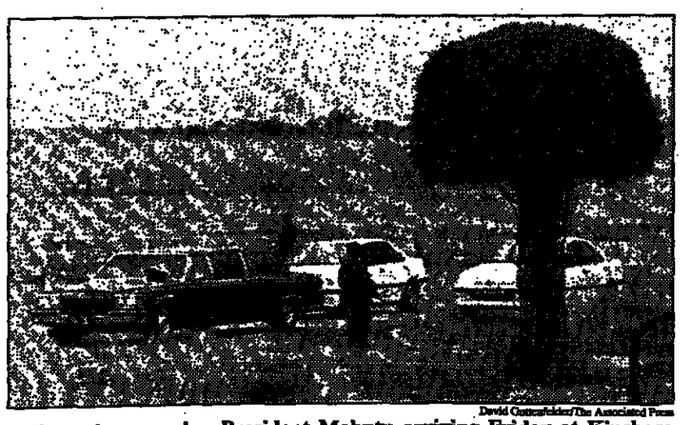
"Kabila is not happy with the arrangements," the source said. "I can't go into what that is. My understanding is that Kabila is leaving or has left already for Lubumbashi. We'll try to reconstruct this whole thing later, but obviously it's going to be very difficult." Lubumbashi, Zaire's second-largest city, is controlled by the rebels.

The Angop news agency said Mr. Mbkei would make another attempt to persuade Mr. Kabila to meet Mr. Mobutu.

Sources in Luanda told the news agency that Mr. Kabila decided not to make the trip to the ship because he had not received safety guarantees.

In Washington, a State Department spokesman said the United States was not confident that the Kabila-Mobutu

See ZAIRE, Page 4



David Guttenfelder/The Associated Press

A limousine carrying President Mobutu arriving Friday at Kinshasa airport to begin a trip to a ship for talks with the rebel leader.

Newsstand Prices			
Andorra	10.00 FF	Lebanon	L.L.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

AGENDA

U.S. Report Harsh on Swiss Gold Role

A U.S. government report will state that there is conclusive evidence that the Nazis sold Switzerland gold stolen from individual Holocaust victims, Reuters reported.

It quoted sources close to the State Department as having said Friday that the 11-agency report would also show that after the war, Switzerland failed to return billions of dollars worth of looted gold it received.

The report, more than 200 pages long and based on 14 million pages of U.S. government documents, is expected to be made public Wednesday. The sources said it would be harsh on the Swiss wartime role as bankers and even money launderers for Germany.

Documents will show that the Swiss took in $425 million in looted gold — worth more than $4.25 billion by today's prices. Page 4.

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The IHT on-line http://www.iht.com

Revisiting FDR: A New Memorial and an Enduring Legacy

By Ken Ringle
Washington Post Service

WASHINGTON — In the 52 years between Franklin Roosevelt's death and Friday's dedication of his memorial in Washington, historians have argued fiercely over almost everything in America's past. But they haven't argued all that much about the historical stature of Franklin Delano Roosevelt.

Accepting the memorial for the nation on a sparkling spring Friday morning, President Bill Clinton called Mr. Roosevelt "the greatest president of this great American century."

As the leader who steered the country safely through the Depression and World War II, Mr. Roosevelt is regularly ranked with Washington and Lincoln among the three greatest presidents, according to a periodic poll of 1,000 American historians.

"He really doesn't have many debunkers," said Alan Brinkley of Columbia University, author of "The End of Reform," a study of the New Deal. "There are a few on the left who think he should have done more to socialize the country. There are none at all on the right."

"When even Newt Gingrich calls him 'the greatest president of the 20th century,' I would say his place in history is secure," said Arthur Schlesinger Jr., author of "The Coming of the New Deal." It wasn't just Mr. Roosevelt's policies that made him larger than life, Mr. Schlesinger said. It was "the way he infected the whole nation with his contagious, serene confidence in both himself and the country and its institutions" — confidence that Americans could rise above the nightmares of depression and war and all would be well.

What is perhaps most surprising about Mr. Roosevelt after all these years, said Michael Beschloss, author of "Roosevelt and Kennedy," is that "presidents normally go into a period of disfavor or eclipse after they leave office."

"Even Lincoln did to some extent after his death," Mr. Beschloss added. "Franklin Roosevelt never really has. Even his opponents in retrospect recognized and respected both the policies and the presidential character that steered us through the worst economic crisis and the worst foreign crisis in our history."

The respect has endured, Mr. Beschloss and other historians say, despite continuing questions about specific actions by Mr. Roosevelt, like the internment of 110,000 Japanese Americans during the early days of World War II, or debate about whether he could or should have done more to shelter Europe's Jews from the Holocaust.

It has endured in the face of recent revelations detailing Mr. Roosevelt's adulterous love affair,

See FDR, Page 4

AT&T

U.S. and Russia Hint At Progress on NATO

Albright and Primakov Discuss Security

Compiled by Our Staff From Dispatches

MOSCOW — In two fast-paced hours of meetings, U.S. Secretary of State Madeleine Albright inched forward Friday with the Russian foreign minister, Yevgeni Primakov, on a charter to link Russia to an expanded NATO alliance.

The goal is to have the charter ready for signing on May 27 in Paris. "Some needed progress was made," Nicholas Burns, the State Department spokesman, said on Mrs. Albright's jet as it returned to the United States.

He added: "We hope the progress today will further our efforts to reach an agreement by May 27."

The Russians agreed. A statement from the chief Foreign Ministry spokesman, Gennadi Tarasov, gave no details but said: "Certain progress has emerged in the discussion of issues related to the preparation of the document setting up relations between Russia and NATO."

Mrs. Albright and Mr. Primakov held a second, unscheduled round of talks Friday aimed at trying to narrow differences over NATO's eastward expansion.

Western officials say the charter would set up a joint council with the Russians that would give Moscow a voice in decisions that affect its security interests in Europe.

But Russia is demanding binding guarantees from NATO that it will not move nuclear weapons or conventional forces into the territory of new members.

If all 16 NATO countries agree, there could be a freeze on conventional weapons and troops in six Central European countries.

The Czech Republic, Hungary and Poland are the leading prospects for membership in NATO. Belarus, Slovakia and Ukraine are also being considered.

In addition, country-by-country caps on five categories of weapons throughout the alliance would be included in the charter.

While NATO has promised that there would be no "substantial" deployment in new NATO countries, the two sides Friday considered "some permanent stationing of foreign forces" in Central Europe, a senior U.S. official said.

That could mean deploying American, British, French or some other Western troops close to Russia's western border.

The secretary general of NATO, Javier Solana Madariaga, will continue the discussions with Mr. Primakov in Luxembourg next Tuesday.

Mrs. Albright, assisted by Strobe Talbott, her deputy, and Undersecretary of State Lynn Davis, an arms expert, held three meetings with Mr. Primakov over two hours. They continued their discussions at dinner Thursday night, abandoning plans to talk about China, the Middle East and other areas.

President Boris Yeltsin urged Mrs. Albright on Thursday to give "concrete meaning" to pledges by President Bill Clinton and NATO not to threaten Russia with the planned expansion to its western border. *(AP, Reuters)*

Sergei Chirikov/Agence France-Presse

Mrs. Albright and Mr. Talbott, deputy secretary of state, preparing to leave for home after the talks in Moscow.

Bo Widerberg, 'Elvira Madigan' Director, Dies at 66

By Lawrence Van Gelder
New York Times Service

Bo Widerberg, 66, the lyrical, socially conscious Swedish director of the popular "Elvira Madigan" and of three films nominated for Academy Awards, died Thursday at a hospital in Angelholm in southern Sweden.

The Swedish news agency TT said he died after an unspecified but lengthy illness.

Mr. Widerberg was nominated for Oscars for best foreign film for "All Things Fair" (1996), about the relationship between a high school student and his female teacher; for "Adalen '31" (1969), about a violent strike in 1931 at a paper mill in a Swedish town, and for "Raven's End" (1964), a somewhat autobiographical film about a teenage boy trying to break the ties that bind him to his family in a working-class district of Malmo, where Mr. Widerberg was born.

Although "Raven's End" was named the best Swedish film ever in a poll two years ago by a Swedish arts magazine, Mr. Widerberg was always best known abroad for the lushly romantic "Elvira Madigan" (1967).

Set in the 19th century, the film told of the runaway love affair of a young married Swedish cavalry officer and a beautiful 17-year-old girl who was a circus performer.

"Exquisite is only the first word to describe this exceptional film," Bosley Crowther wrote in his review in The New York Times. "There are others — poetic and sensitive, compassionate and humane, poignant and eventually heartbreaking in its resolution of a universal dilemma of star-crossed lovers."

The romanticism of the story was enhanced both by color photography that prompted comparisons to the paintings of Renoir and by music from Mozart's Piano Concerto No. 21, often afterward referred to as the "Elvira Madigan."

Mr. Widerberg, who wrote his own scripts, tended to regard them as advice to himself and felt free to improvise new lines and determine the course of action just before the cameras rolled. He also preferred to work with amateur actors. "What actors need is not technique but innocence," he said.

Sophia Mumford, 97, Spouse Who Edited Lewis Mumford

NEW YORK (NYT) — Sophia Mumford, 97, the wife and sometime editor of the critic and historian Lewis Mumford, died April 22 at her home in Amenia, New York.

At her death she was writing a book on her life and the work she undertook with her husband, who died in 1990.

After her marriage in 1922, Mrs. Mumford gave up a budding career as an editor of the literary periodical The Dial to help further her husband's literary and academic aspirations.

John Snyder, 71, Found Answer To a Cartographic Conundrum

NEW YORK (NYT) — John Snyder, 71, a chemical engineer who made cartography history by developing a set of equations to convert images of the Earth taken from space into accurate maps, died Monday in Olney, Maryland.

Mr. Snyder, a senior engineer at Ciba-Geigy Corp., was not formally trained in map projections, but his series of 82 equations solved a problem that had vexed experts, providing a way for cartographers to account for distortion in images of the Earth transmitted by satellites.

Quentin Crommelin, 78, Aviator In WWII Along With 4 Brothers

NEW YORK (NYT) — Quentin Crommelin, 78, a retired navy captain and the last survivor of five Alabama brothers who created a sibling sensation as navy aviators in World War II, died Monday of cancer in Montgomery, Alabama.

He was the youngest of five brothers who graduated from the U.S. Naval Academy in Annapolis, Maryland. His brother John graduated in 1923, followed by Henry ('25), Charles ('31), Richard ('38) and Quentin ('41).

Before World War II was over, at least one of the brothers had seen action in every major naval engagement in the Pacific. Quentin, who did sea duty at Guadalcanal, qualified as a pilot in time to lead a squadron in raids over Tokyo. Charles and Richard were killed in action near the end of the war.

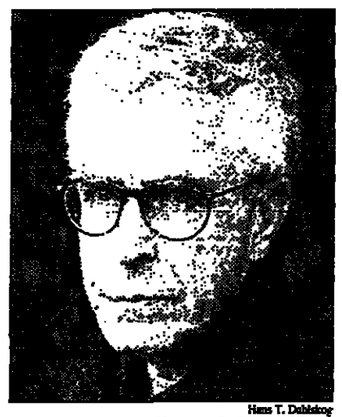
Patricia High Painton, 67, Former Journalist in Paris

PARIS (IHT) — Patricia High Painton, 67, a former business journalist and longtime Paris resident, died April 29 of genetic emphysema at Roper Hospital in Charleston, South Carolina.

A graduate of Mount Holyoke College, Mrs. Painton began her career in New York as a researcher for Fortune magazine. She later became a correspondent for Fortune in Paris for a number of years before moving to Business International, where she wrote regular reports on France's economy and politics.

She also wrote for the International Herald Tribune, The New York Times and the Atlantic Monthly.

During her 32 years in Paris, she was president of the board of the American School and a founding member of the Women's Institute of Continuing Education, an organization that promotes the careers of Anglophone women in France and that grew to become one of the largest private organizations in Paris.



Hans T. Dahlskog

Bo Widerberg directed three films nominated for Academy Awards.

Chinese Ships Have Withdrawn, Manila Says

Reuters

MANILA — China has withdrawn several warships from the vicinity of two disputed islands in the South China Sea after protests by Manila that they were trespassing, officials in the Philippines said Friday.

"A Highlander plane reconnoitered the area this morning, and there are no more Chinese naval vessels near Panata and Kota island," said Major General Reynaldo Reyes, commander of the Philippine Western Command. "They are gone."

His command includes the Spratly Islands, a cluster of reefs and islands scattered across the South China Sea. Beijing says the entire area, whose allure lies in its potentially vast reserves of oil and gas, historically belongs to China.

Vietnam, Taiwan, Malaysia and Brunei, along with the Philippines, claim all or some of the area.

The Philippine defense secretary, Renato de Villa, said earlier Friday that Chinese ships had visited the area before but that it was unusual for them to anchor so close to islands that Manila claims. Panata is one of them.

Manila protested to Beijing after spotting the ships, accompanied by fishing boats, a week ago. Originally, three ships were reported in the area, but Mr. de Villa said there were actually four, including one with a helicopter landing pad.

The ships caused an uproar in Manila. The chairman of the Senate Foreign Relations Committee, Blas Ople, urged the government to seek help from the United States to make China withdraw them.

"China's refusal to leave the waters off the Kelayaan islands despite a Philippine government demand is a slap at our sovereignty and a gross flouting of international laws," Mr. Ople said before the ships had left.

After a similar incident two years ago, the two countries agreed not to do anything to disturb peace in the area.

In 1995, Manila accused the Chinese of building what it said looked like naval support structures on Mischief Reef. But Beijing asserted they were shelters for fishermen and refused to dismantle them.

Mr. de Villa said he was still concerned about a new building constructed by the Chinese.

"It concerns us that there is a hut-like structure that has sprouted in the shallowest part of a reef, very, very close to Panata Island," he said.

Sources at the Foreign Ministry said they were not alarmed by the ships' arrival, which they said they believed was being played up for domestic consumption as the Philippine military seeks a budget increase to replace aged military hardware.

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I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3860.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 689 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchiche Gemeinde, Sodenerstr. 11-18, 65150 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries, Pastor M.Levey. Call/Fax: 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 98.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MadDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54, Sun. Worship 11 a.m. Tel. 069/95631066 or 512592.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30. In German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer. Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery. International, all denominations welcome. Dorotheergasse 18, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2525525.

BRIEFLY

Italian Designers Guilty of Bribery

MILAN — An Italian court on Friday found the top Italian fashion figures Gianfranco Ferre, Krizia and Santo Versace guilty of corruption for paying bribes to tax police.

Mr. Ferre, Krizia, whose real name is Mariuccia Mandelli, and Santo Versace, brother and business manager of the fashion guru Gianni Versace, each received suspended jail sentences of one year and two months.

Neither Mr. Versace, nor Krizia and Mr. Ferre were in court. They had argued they were the victims of corrupt tax officials. All three have already paid damages roughly equivalent to the amount they paid in bribes in 1990. Mr. Ferre handed over the equivalent of $198,000 in bribes, Krizia $260,000 and Versace $163,000. *(Reuters)*

Iran Cleric Warns Of Hostility to EU

DUBAI, United Arab Emirates — A senior Iranian cleric warned the European Union on Friday that pressuring Iran during the current diplomatic feud would fan stronger anti-Western sentiments in the country.

Ayatollah Ahmad Jannati said at a mass prayer gathering in Tehran, "Because of your decisions and your loud propaganda, our people are becoming every day more anti-American, more anti-Israeli and more opposed to your union and more steadfast in their stances." His sermon was broadcast on Tehran radio.

He was alluding to the decision at a recent meeting of EU foreign ministers to suspend ministerial contacts with Iran after a German court verdict accused Tehran leaders of ordering the 1992 killings of Kurdish dissidents in Berlin. Iran has denied involvement. *(Reuters)*

Prague Charges Top Communists

PRAGUE — The last Communist Party leader of Czechoslovakia and two other former party officials were charged with treason Friday for their role in the 1968 Soviet-led invasion that crushed the Prague Spring reforms.

All three are accused of holding talks at the Soviet Embassy on Aug. 22, 1968, on forming a "government of workers and peasants" to replace the lawful reform-minded Czechoslovak government.

Milos Jakes, 74, led the party purges after the invasion and later became party leader. Also charged were Karel Hoffmann, 72, and Jozef Lenart, 73. *(AP)*

For the Record

President Boris Yeltsin signed into law Friday a bill approved last week by the Communist opposition-dominated Russian Parliament that sets out how Moscow will get rid of its chemical weapons, but not when. *(Reuters)*

TRAVEL UPDATE

Sandstorm Closes Cairo Airport

CAIRO (AFP) — Cairo's airport was closed Friday because of a sandstorm, and air traffic was rerouted to other airports, an airport official said.

Two EgyptAir flights, from Jidda and Aswan, were redirected to Hurghada. Winds up to 90 kilometers per hour blew trees into Cairo streets and damaged dozens of cars. Several advertising signs were blown down, injuring about 10 people.

Continental Delays England Flights

LONDON (AP) — Continental Airlines said Friday it would delay for two weeks the start of flights between Birmingham, England, and Newark, New Jersey, because two new Boeing 757-200s might not be delivered on time.

Continental will start the flights July 15. It said it would make alternative arrangements for people who had booked earlier.

Algeria Says BA Need Not Worry

ALGIERS (AP) — Algeria said Friday that fears of terrorism after Air Algerie's return to Paris's Roissy-Charles de Gaulle Airport were unfounded, and that British Airways had no need to move its flights from the airport.

The French aviation authority rejected a BA request to move its flights to Orly Airport. BA is seeking a remedy in court. Algerian radio said Friday that the foreign affairs minister, Ahmed Attaf, had said that BA had no cause for concern.

Trouble With Washington Radar

WASHINGTON (WP) — On nearly a dozen occasions since it opened April 5, National Airport's new control tower has suffered outages in radar equipment, lasting from minutes to several hours, according to Federal Aviation Administration records.

The radar problems, which involve aging equipment that was moved, are among a series of technical glitches that have plagued the $25 million tower.

Incidents in which planes have come too close together in flight have risen sharply in the New York City area, and some managers at the New York Air Route Traffic Control Center have suggested air traffic be cut back sharply *(NYT)*

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America

Blustery and chilly from Boston to Washington, D.C., Sunday; sunshine Monday, then maybe showers Tuesday. Showers in Chicago and Detroit Monday and in Atlanta Tuesday. Sunny and pleasant in Houston Sunday, then more humid and warm Monday and Tuesday.

Europe

Soaking rains are likely early next week from Paris to London to Brussels to Berlin, putting a major dent in the drought of the past two months. Additionally, it will be turning cooler. There could be a few showers late Monday or Tuesday in Madrid and Tuesday in Rome.

Asia

Warm and humid Sunday through Tuesday in Hong Kong, there could be a few scattered showers as well. Warm those three days in Beijing with at least partial sunshine each day. Partly sunny and mostly rain-free Sunday through Tuesday in Tokyo and in Seoul.

Europe

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Algarve	24/75	17/62	pc	26/79	15/58	pc
Amsterdam	18/64	7/44	c	16/61	4/39	pc
Ankara	13/55	0/32	r	17/62	4/39	pc
Athens	17/62	11/52	pc	20/68	14/57	pc
Barcelona	19/66	14/57	s	24/75	15/61	pc
Belgrade	21/70	12/53	c	23/73	11/52	s
Berlin	16/64	4/39	c	13/55	2/35	s
Brussels	23/73	11/52	pc	18/64	7/44	pc
Budapest	23/73	11/52	pc	18/64	6/43	pc
Copenhagen	11/52	+1/31	s	7/44	-3/27	s
Costa Del Sol	24/75	16/61	pc	26/82	18/61	pc
Dublin	16/61	11/52	pc	15/61	6/43	sh
Edinburgh	13/55	4/39	c	13/55	1/34	pc
Florence	26/79	14/57	s	27/80	14/57	pc
Frankfurt	17/62	2/35	sh	12/53	0/32	s
Geneva	23/73	11/52	s	22/71	10/50	pc
Helsinki	8/43	-3/26	c	6/43	-6/22	pc
Istanbul	15/61	9/48	pc	19/66	11/52	pc
Kiev	14/57	7/44	r	11/52	-3/27	pc
Las Palmas	25/77	21/70	s	27/80	21/70	pc
Lisbon	22/71	17/62	pc	23/73	14/57	pc
London	22/71	11/52	pc	18/64	7/44	pc
Madrid	24/75	12/53	pc	26/79	11/52	pc
Mallorca	19/64	16/61	s	23/73	18/64	pc
Milan	27/80	14/57	s	26/79	14/57	pc
Moscow	13/55	7/44	sh	11/52	-3/26	c
Munich	20/71	9/48	pc	18/64	6/43	pc
Nice	23/73	15/59	s	24/75	17/62	pc
Oslo	10/50	-3/27	c	6/48	-3/27	pc
Paris	24/75	13/55	s	20/68	8/46	pc
Prague	21/70	6/43	c	14/57	2/35	s
Reykjavik	6/43	0/32	c	7/44	2/35	sh
Riga	9/48	-2/29	r	6/43	-4/25	pc
Rome	21/70	12/53	pc	24/75	13/55	s
St. Petersburg	9/48	1/34	r	7/44	-3/27	c
Stockholm	7/44	-4/25	c	4/39	-5/24	pc
Strasbourg	24/75	12/53	s	21/70	8/46	pc
Tallinn	5/41	-1/31	c	6/43	-3/26	pc
Tunis	19/66	12/53	r	19/66	7/44	r
Venice	24/75	15/59	pc	23/73	14/57	pc
Vienna	23/73	11/52	pc	17/62	7/44	pc
Warsaw	15/59	+1/31	sh	8/46	-3/27	s
Zurich	22/71	11/52	s	19/66	9/48	pc

Middle East

Abu Dhabi	31/88	19/61	s	33/91	20/68	pc
Beirut	17/62	9/48	c	18/64	11/52	pc
Cairo	28/73	12/53	pc	25/77	10/50	pc
Damascus	23/73	8/46	pc	21/70	7/44	pc
Jerusalem	19/64	6/48	sh	18/64	6/43	pc
Luxor	41/106	20/68	s	35/95	16/61	pc
Riyadh	35/95	21/70	s	38/100	24/75	pc

North America

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Anchorage	13/55	2/35	pc	12/53	3/37	pc
Atlanta	23/73	11/52	r	20/68	7/44	pc
Boston	14/57	8/46	r	16/61	4/39	sh
Chicago	12/53	3/37	sh	13/55	0/35	pc
Dallas	22/71	9/48	s	23/73	13/55	s
Denver	19/66	4/39	pc	23/73	7/44	pc
Detroit	14/57	3/37	sh	11/52	1/34	pc
Honolulu	28/82	20/68	pc	28/82	20/68	pc
Houston	27/80	13/55	pc	26/79	12/53	s
Las Angeles	23/84	13/55	s	30/86	13/55	pc
Miami	31/88	23/73	pc	30/86	21/70	r
Minneapolis	12/53	2/35	pc	14/57	3/37	s
Montreal	8/46	7/44	r	11/52	-8/22	sn
Nassau	31/88	22/71	pc	30/86	22/71	pc
New York	18/64	12/53	r	18/66	7/44	sh
Orlando	31/88	19/66	c	27/80	14/57	t
Phoenix	36/97	19/64	s	36/97	21/70	s
San Fran.	20/68	10/50	pc	22/71	11/52	pc
Seattle	14/57	7/44	sh	16/61	8/46	c
Toronto	9/48	-1/31	r	4/39	-7/20	pc
Vancouver	13/55	7/44	sh	13/55	5/41	c
Washington	21/70	13/55	sh	20/68	7/44	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Almaty	22/73	8/46	c	22/71	8/46	pc
Bali	32/89	21/70	s	32/89	23/73	pc
Bangkok	32/89	24/75	c	34/93	27/80	pc
Beijing	26/79	20/68	pc	27/80	18/64	pc
Bombay	29/84	21/70	pc	29/84	22/71	pc
Calcutta	34/93	23/73	pc	34/93	24/75	pc
Chiang Mai	32/89	22/71	c	34/93	25/77	pc
Colombo	29/84	23/73	pc	28/84	24/75	pc
Hanoi	28/82	22/71	pc	27/80	22/71	pc
Ho Chi Minh	32/89	24/75	sh	33/91	26/79	pc
Hong Kong	26/79	21/70	pc	25/77	21/70	pc
Islamabad	33/91	19/66	pc	33/91	18/64	r
Jakarta	29/84	23/73	pc	30/86	24/75	pc
Karachi	31/88	22/71	pc	33/91	22/71	pc
K. Lumpur	32/89	23/73	pc	32/89	24/75	pc
K. Kinabalu	31/88	21/70	pc	30/86	23/73	pc
Manila	33/89	23/73	r	33/91	24/75	pc
New Delhi	37/98	22/71	pc	35/97	19/66	sh
Pnnom Penh	32/89	22/71	sh	33/91	25/75	pc
Phuket	32/89	24/75	c	34/93	27/80	pc
Rangoon	32/89	23/73	c	34/93	27/80	pc
Seoul	26/79	14/57	pc	24/75	14/57	pc
Shanghai	26/79	19/66	pc	25/77	18/64	pc
Singapore	31/88	21/70	pc	31/88	23/73	pc
Taipei	27/80	20/68	s	26/79	21/70	pc
Tokyo	21/70	21/70	r	26/79	13/55	c
Vientiane	27/80	21/70	pc	27/80	21/70	pc

Africa

Algiers	24/75	12/53	s	27/80	15/59	pc
Cape Town	16/61	8/46	pc	19/66	8/46	pc
Casablanca	24/75	17/62	pc	26/79	19/61	pc
Harare	32/89	10/50	s	28/82	13/55	pc
Lagos	29/84	23/73	c	31/88	24/75	pc
Nairobi	24/75	14/57	sh	26/79	15/59	pc
Tunis	19/66	10/50	pc	24/75	14/57	pc

Latin America

Buenos Aires	20/68	12/53	pc	24/75	11/52	pc
Caracas	28/82	23/73	pc	29/84	23/73	pc
Lima	25/77	19/66	s	25/77	19/66	pc
Mexico City	24/75	11/52	pc	24/75	9/48	pc
Rio de Janeiro	30/86	21/70	pc	27/80	20/68	pc
Santiago	27/80	7/44	pc	25/77	9/48	pc

Oceania

Auckland	17/62	10/50	s	17/62	12/53	s
Sydney	22/71	18/64	r	23/73	17/62	c

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Republicans And Clinton Set Budget

Tax Breaks and End of Deficit Forecast

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The Associated Press

WASHINGTON — President Bill Clinton and Republican congressional leaders announced agreement Friday on a plan to balance the budget while giving tax breaks to families, investors and students.

"I wanted a balanced budget with balanced values," Mr. Clinton said in Baltimore. "I believe we have that today."

The Senate majority leader, Trent Lott, said in Washington,

"Through this budget we will reach balance by cutting spending, not by raising taxes."

The plan envisions steadily declining deficits over the next five years, culminating in a balanced budget in 2002.

A provision to extend health care coverage to an estimated 5 million uninsured children — a key part of Mr. Clinton's second term agenda — also is part of the plan.

A Democratic official said that in last-minute negotiations, the Republicans had agreed to spend an additional $26 billion on domestic programs over five years and to soften a change in the cost-of-living index that will lead to smaller increases in Social Security retirement benefits.

According to several officials in the administration and Congress, the broad outlines provided for a balanced budget in five years, with tax cuts totaling roughly $135 billion.

Among the elements:

- Five-year Medicare savings would total $115 billion, including slight increases in monthly premiums for many recipients.
- Tax cuts would include a $500-per-child reduction as well as cuts in capital gains and estate taxes that Republicans favor and possibly additional breaks in Individual Retirement Accounts. Mr. Clinton would gain the tax relief he sought for higher education students.
- The $135 billion in tax cuts would be partly offset by roughly $50 billion in increases, including the extension of the existing airline ticket tax.
- An estimated $18 billion to $20 billion would be allotted to extend health insurance coverage to children of the working poor.
- Welfare benefits would be partly restored for some legal immigrants whose benefits were cut off under the welfare overhaul passed last summer.

Michael Schmelling/The Associated Press

Mr. Kasparov in New York discussing his next clash with Deep Blue.

Man and Machine Tuned for Rematch

Kasparov Is Set to Defend His Chess Crown Against a Deeper 'Deep Blue'

By Bruce Weber
New York Times Service

NEW YORK — The challenger, 8 years old, is 6 feet, 5 inches tall and weighs maybe 2,800 pounds.

Despite the sound thrashing it took from the champion a year ago, it maintains the unflappable demeanor of a machine, which it is. Right now it is sitting placidly in a stuffy room on the 35th floor of a Manhattan office tower.

The champion, 34, is a wiry, tightly wound man of restless intelligence and considerable self-regard. He is listed at 5 feet 10 (1.77 meters), 174 pounds (79 kilograms), but to the naked eye those seem inflated figures, perhaps a psychological weapon. He is preparing for the match in a suite at the Plaza Hotel.

One champion. One challenger. One man. One machine. Beginning Saturday at the Equitable Center in Manhattan, six games of chess in nine days, the winner to take home $700,000 of a $1.1 million purse. It's Garry Kasparov vs. Deep Blue: the Rematch!

In February 1996, Mr. Kasparov, who has been the world chess champion since 1985, defeated Deep Blue, an IBM computer that is the world's strongest chess-playing machine, four games to two. Since then, a five-man team of computer scientists from International Business Machines Corp., along with the chess grandmaster Joel Benjamin, have worked full time to improve Deep Blue's game.

Mr. Kasparov believes he will win, but in the time-honored manner of a chess diva is already complaining that the odds are stacked against him.

What they have come up with is a version that can calculate at twice the speed of its predecessor. But more important, its software has been refined; it knows more chess. "At this point last year, I didn't believe we could win," said Feng-Hsiung Hsu, the principal designer of Deep Blue. "This year is different."

Among chess aficionados, though, Mr. Kasparov is still the betting favorite. "The computer is better, but Garry is also better," said Susan Polgar, the women's world champion.

Mr. Kasparov himself is his confident, not to say arrogant, self. He believes he will win, but in the time-honored manner of a chess diva is already complaining that the odds are stacked against him.

Among other complaints, the Deep Blue team has not made any of the machine's games available to him for study, he said, while of course all of his own competitive games are easily accessible. "They know if I had any games, my preparation would be far more efficient," he said.

Testimony Portrays McVeigh as Bomb Shopper

By Tom Kenworthy
Washington Post Service

DENVER — Prosecutors have presented a parade of witnesses whose testimony was designed to show that the Oklahoma City bombing suspect Timothy McVeigh taught himself about homemade explosives and then shopped for bomb-making materials before the April 19, 1995, explosion that killed 168 people.

Gregory Pfaff, a gun dealer in Virginia during the early 1990s, testified Thursday that Mr. McVeigh telephoned in the fall of 1994 to ask whether Mr. Pfaff could supply him with detonation cord. Mr. Pfaff told the jury that he did not have the "highly regulated item."

A second witness, Mr. McVeigh's high school classmate David Darlak, said Mr. McVeigh called him around the same time to ask "if I knew where he could purchase racing fuel." Mr. Darlak's brother raced autos on dirt tracks in Upstate New York. "I said, 'No.' "

A racing-fuels salesman from Manhattan, Kansas, testified that a person he was "90 percent sure" was Mr. McVeigh approached him at a Topeka drag strip on Oct. 1, 1994, asking about whether he could buy anhydrous hydrazine, a rocket fuel, and nitromethane, a fuel used in top-fuel dragsters. The salesman, Glynn Tipton of VP Racing Fuels, testified that another employee later told him the company did not sell anhydrous hydrazine and that mixing that chemical with nitromethane would produce "a bomb." Mr. Tipton later conceded that he initially told the FBI that he was uncertain if the person at the race track was Mr. McVeigh.

The prosecution contends that Mr. McVeigh and his co-defendant, Terry Nichols, in the fall of 1994 began stealing explosives, purchasing ammonium nitrate fertilizer and renting storage space in preparation for blowing up the federal building.

U.S. Teenagers' Sexual Activity Drops

By Barbara Vobejda
and *Judith Havemann*
Washington Post Service

WASHINGTON — After climbing steadily for two decades, sexual activity among American teenagers has declined for the first time since the federal government began tracking the trend in 1970, a government survey shows.

Among girls aged 15 to 19, the proportion who reported having had sexual intercourse fell to 50 percent in 1995 from 55 percent in 1990, the last time the study was conducted.

A separate federal study showed the figure for boys dropped to 55 percent in 1995 from 60 percent in 1988.

The studies also found that teenagers who were sexually active were more likely to use contraceptives than in the past and that condom use had increased the most dramatically.

Those two changes — fewer teenagers having sex and better contraceptive use among those who are — explain why the birth rate among teenagers has fallen since 1991, researchers said.

While researchers cautioned that teenage birth rates in the United States remained disturbingly high, they also said the new studies showed that young people were responding to programs urging them to delay sex and take steps to avoid pregnancy and the risk of acquired immune deficiency syndrome.

That message is now a common ingredient in sex-education courses, AIDS awareness programs and other community efforts aimed at reducing teenage sexual activity and births. Many programs offer information on contraception and safe sex, as well as teaching young people how to resist peer pressure to become sexually active.

"I think it is easier for young people to refuse to become sexually involved," said Marion Howard, co-author of a program used in Atlanta's public schools that hires and trains older teenagers to help younger students postpone sex. "The word about HIV and AIDS has gotten out," she said, "and there's been a willingness of adults to begin to acknowledge that young people are sexual human beings and they need to talk to them."

The National Center for Health Statistics, which conducted the survey of young women, also found that use of condoms had tripled since the 1970s.

Researchers have known for several years that teenage births were declining, but they did not know whether it was because young people were having less sex, improving their use of contraceptives or having more abortions.

Key Separatist Surrenders to Police in Texas

Reuters

FORT DAVIS, Texas, — A key member of the armed Republic of Texas separatists holed up in the Davis Mountains of west Texas for six days walked out of the group's compound Friday, police said.

Robert Scheidt, the group's "security chief" who had been sent back into the compound by the police in exchange for the release of two hostages early this week, was then arrested.

The police late Thursday issued an ultimatum to surrender to Richard McLaren, the leader of the separatists.

Mr. McLaren, 43, and 11 other Republic members who consider Texas an independent nation have been surrounded by police in their compound since Sunday.

AMERICAN TOPICS

In Flooded North Dakota, Rich Angel Brings Hope

She's being celebrated throughout Grand Forks, North Dakota. Some call her a saint. No one knows her name, though they know she is not from the region.

But they know that she has money and is showering it generously on flood victims.

The anonymous donor has pledged to give $2,000 to each household swamped by the recent flooding of the Grand Forks area, the effects of which were aggravated by fires in the city's business district. With 5,000 households eligible, the pledge could total $10 million.

The woman stipulated only that the money go to people hard hit by the flood, with a minimum of red tape. Checks are already being written and distributed at the Grand Forks Air Force Base, where flood refugees have been housed.

"I'm going to hold on to it, get some stuff to get started, like some clothes, and then probably put the rest in the bank," said Steve Maragos, 29, an unemployed Grand Forks resident.

The North Dakota Community Foundation, a nonprofit corporation that is distributing the money, said the donor transferred more than $2 million into its account Tuesday. More than $600,000 has already been paid out.

Mayor Pat Owens, who has been getting by on two hours' sleep a night, calls the donation a gift from heaven. "God has answered our prayers," she said. "It is a ray of hope so we can build on our future."

Short Takes

That symbol of American home cooking — Jell-O — is celebrating its 100th birthday this week. Since its introduction, Americans have found the jiggly sweetness of this colored gelatin hard not to love.

A million boxes are now sold every day. To honor a century of sales, Jell-O is introducing a Sparkling White Grape flavor.

Governor Tommy Thompson of Wisconsin has proposed banning sexually explicit material from state prisons, saying such publications as Playboy and even nude pictures of spouses hurt efforts to reform inmates.

"Our prisoners are going to be too busy working to sit around idly in their cells reading pornography," he said. The ban would apply to both men's and women's prisons.

The American Civil Liberties Union of Wisconsin is waiting to see how the proposal is worded before deciding whether to protest it as a possible infringement of the prisoners' free-speech rights.

International Herald Tribune

Away From Politics

- **The Defense Department** said it had rejected the possibility of eliminating 2 of the army's 10 combat divisions as part of a major review of military strategy and forces. *(AP)*
- **The only school voucher program** in the nation that lets children attend private religious schools using public money has been stopped by an Ohio court that ruled it violated the state's constitution. In a case that educators and lawmakers nationwide have been following closely, the Ohio Court of Appeals decided unanimously that the voucher program created last fall in Cleveland for 2,000 disadvantaged children infringed on the separation of church and state. *(WP)*
- **The federal government fired** Associated Universities, the private operator of the Brookhaven National Laboratory, in Upton, New York, where a radioactive material leaked from a nuclear reactor into the ground. *(AP)*
- **Passers-by took off with bags of** money when the door of an armored truck burst open in a traffic accident in Oakland, California, officials said. The truck, owned by Armed Courier Service of San Jose, California, overturned on a busy street in Oakland after it was involved in a collision with a car. *(Reuters)*

Gene Blevins/The Associated Press

HOT TIME — A fire fighter shielding his face from searing heat as a brush fire burned on a hill at the edge of a forest near Los Angeles.

POLITICAL NOTES

Clinton to Appeal Ruling on Papers

WASHINGTON — In a battle with Whitewater prosecutors, the White House said Friday that it would appeal to the Supreme Court to withhold from investigators notes lawyers took of conversations with Hillary Rodham Clinton.

A split appeals court panel in St. Louis last month rejected Mrs. Clinton's claim the notes were protected by attorney-client privilege, according to a decision unsealed Friday.

The panel reversed a lower-court decision and ordered the White House to turn over to prosecutors the notes taken by the White House lawyers, Miriam Nemetz and Jane Sherburne.

The White House counsel, Charles Ruff, said that the administration was appealing to the Supreme Court and that he hoped the court would decide by June whether to take the case.

"We are disappointed in the ruling," Mr. Ruff said. "We believe attorney-client privilege is a privilege that applies not only to the president and White House counsel but to all government lawyers and employees."

The office of the Whitewater independent prosecutor, Kenneth Starr, said it was reviewing the decision.

In dispute were two sets of notes taken by the lawyers during conversations with Mrs. Clinton at key moments in the investigation.

One set of notes, taken by Ms. Nemetz, involves discussions Mrs. Clinton had with the lawyers about her activities after the 1993 death of the White House deputy counsel, Vincent Foster, the court documents show. Prosecutors are investigating whether Whitewater-related documents were improperly removed from Mr. Foster's office after his death.

The other set involves discussions Mrs. Clinton had with lawyers during breaks in her grand jury appearance last year and afterward about the mysterious disappearance and reappearance of her law firm billing records. *(AP)*

Search Is Ending For Aviation Chief

WASHINGTON — President Bill Clinton is preparing to break with tradition and reach outside the aviation industry and the military for a new head of the Federal Aviation Administration.

White House officials say that Mr. Clinton will appoint Jane Garvey, the acting administrator of the Federal Highway Administration, to the post, and will choose a former Pentagon procurement expert, George Donohue, as her deputy. Mr. Donohue was hired by the aviation agency two years ago to help modernize the air traffic control program. *(NYT)*

White House Lauds Mexico Drug Move

WASHINGTON — Mr. Clinton said that Mexico's decision to dismantle its scandal-marred anti-drug agency was a "good first step" but that the Mexicans still faced a big challenge fighting drugs.

Mr. Clinton commented in a radio interview as he prepared to make a state visit to Mexico on Monday as part of a weeklong Latin American tour that will also include stops in Costa Rica and Barbados.

Mr. Clinton's comment came a day after the Mexican attorney general, Jorge Madrazo Cuellar, announced that the dismantled agency would be replaced by a new body of trained agents who would be regularly screened. *(Reuters)*

Quote/Unquote

Senator Tom Harkin, Democrat of Iowa, on Bob Dole's $300,000 loan to Newt Gingrich: "It was the first time a person saved an air bag's life." *(WP)*

BOOKS

THE MISTRESS OF SPICES

By Chitra Banerjee Divakaruni. 338 pages. $22.95. Anchor Books.

Reviewed by Carolyn See

THIS is a fairy tale, with sea serpents, and magic fire, and three-day warnings before awful consequences are sure to occur, and a feisty young woman who has the courage to challenge every assumption in each of her several "lives." It's also a fairy tale because the handsome young man in this fable acts exactly the way that any woman would want him to act; he falls in love with her, for instance, when she's inhabiting the physical body of a very old woman. To get any quibbles out of the way upfront, this book may suffer slightly from an overdose of warmheartedness. Other than that, "The Mistress of Spices" is a charming story.

Our heroine, born in a rural Indian village, is a big disappointment to her parents because she's a girl, but she turns out to have second sight and the ability to do some magic. She thus makes her village rich, becomes spoiled and self-centered, is abducted by pirates and journeys to a magic island where — with other young maidens — she is trained to become a Mistress of Spices. These mistresses are instructed in the healing lore of every spice and then spirited all over the globe to help Indians in search of solace and encouragement.

It's hard work being a mistress. Tilo isn't allowed to leave the confines of her dusty little spice store. She isn't allowed to look into a mirror, or to touch any humans, or to have any wishes or desires of her own. She's there to serve the people, and she's not so much mistress of the spices in her store as their servant. The spices can get very demanding, bossy, pouty and judgmental.

Nevertheless, here Tilo is, in Oakland, California, having set up shop next to a burned-out hotel, ministering to the needs of a bewildered, uprooted, deracinated Indian population. They've come to America out of ambition or despair, and they're caught in every kind of cultural bind. To become American means to give up being Indian, and this struggle plays itself out with infinite variations. It's to Divakaruni's credit that stereotypical characters and situations come to life because of her subtle renderings and warmhearted regard.

Although many characters drift through the store, prey to every variety of heartsickness, Tilo's focus soon narrows to four folks who need her concentrated help. Haroun, a nice man who works long and dangerous hours as a cabdriver, needs spices for safety. Jagjit is a timid 10-year-old boy when we first see him; Tilo gives him cinnamon to "make friends," and he falls in with a friendly gang of drug dealers.

A very depressed lady thinks of herself only as "Ahuja's wife"; she's too demoralized even to claim a name, since Ahuja keeps whacking her around. And beautiful young Geeta is an Indian woman with modern ways, who refuses an arranged marriage and has the temerity to fall in love with a Chicano, thus provoking a huge three-generational family fight.

It must be said that these spices don't seem to do much good. Tilo keeps doling them out, and people keep getting into trouble. (At one point she observes that our fates have been written out for us before we're even born, so much of this helping activity would seem to be futile on the face of it.) But, again, Divakaruni's subtlety is at work. Isn't it enough, she suggests, to bring "brief happiness" into a "few lives"? Isn't that all any of us can do, and isn't it what we should do?

No heroine can just sit around languishing in a musty store forever, so Tilo begins breaking rules. She touches people she cares about. She ventures out to shop at Sears and finds it as magical in its own way — with its implied promises of prosperity, beauty, riches and long life — as her own magical premises. And, of course, she finds herself fatally attracted to a "lonely American" who has almost as many secrets as she does.

The spices don't like any of this. They lecture, and then stop speaking to her, and pitch tizzy fits. Divakaruni has no trouble making you believe that fennel and chilies and ginger and lotus root can all get uppity together and speak out in a reproving chorus. The real story here — as it is in most literary novels, I suppose — is how to behave like a good human being. Without giving away the plot, it can safely be said that by the end, Tilo has learned her lessons.

Carolyn See reviews books for The Washington Post.

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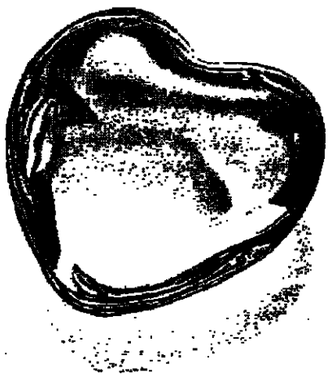

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Swiss Bought Holocaust Victims' Gold, U.S. Report Asserts

Reuters

NEW YORK — A long-awaited U.S. government report will state that there is conclusive evidence that the Nazis sold Switzerland gold stolen from individual Holocaust victims, sources close to the State Department said Friday.

The sources said that the 11-agency report would also show that after the war, Switzerland failed to return billions of dollars worth of looted gold it received.

The report, more than 200 pages long and based on 14 million pages of U.S. government documents, was prepared under the direction of Stuart Eizenstat, under secretary of commerce. It is expected to be made public Wednesday, and the sources said that it would be harsh on the Swiss role in the war as bankers and even money launderers for the Third Reich.

The report will not, however, make any recommendations whether the United States should reopen a 1946 treaty in which the Swiss agreed to return $58 million of Nazi gold received during the war. Documents in the report will show that the Swiss took in $425 million in looted gold — worth more than $4.25 billion by today's prices.

Sources, who have read the report, said it would contain proof that Germany sent to Switzerland not only gold looted from the national treasuries of the countries it occupied but also gold taken by the Nazi SS as loot from individual victims, something that the Swiss National Bank denied as late as a month ago.

The SS looted personal jewelry, watches, rings and even dental fillings of victims, many of them Jews herded into such death camps as Auschwitz.

The gold from the camps was sent to the German central bank where it was resmelted. Some of the items arriving at the Reichsbank bore the stamp Auschwitz as well as the names of the other concentration camps, U.S. archival documents said.

The sources said investigators had found the smelting records of gold sold to Switzerland by the Nazis and it showed conclusively that victim gold was mixed in with bank gold.

Documents to be appended to the report show that after the war, Switzerland returned to the Allies only about 15 percent of the looted gold it bought from Germany with Swiss francs, which were used to buy war materials and food.

According to documents, including some previously made public, Switzerland knowingly received looted gold and in certain cases even asked the Germans to obtain it for them.

Documents also showed that Swiss commercial banks as well as the national bank received the looted gold.

In Zurich, a spokesman for the Swiss National Bank, which acknowledges that it bought nearly 250 tons of some 335 tons of gold that Germany sent to Switzerland during the war, would not confirm purchases of victims' gold.

"We have never found any evidence in our own files here in Switzerland that gold from private sources, notably from the concentration camps, was among the gold sold to the Swiss National Bank," the spokesman, Werner Abegg, said.

The bank's chairman, Hans Meyer, said last month that about two-thirds of the gold that Germany sent to Switzerland came from official reserves that were seized from occupied countries.

He did not say where the other third came from, but was apparently referring to Germany's own holdings.

A World Jewish Congress official said that although he had not seen the U.S. report, he could confirm that documents the group had submitted to the U.S. government also showed that victim gold was sent for processing to the Reichsbank.

"One document revealed that 76 shipments of looted gold, including dental gold, were sent to the German Central Bank valued at more than $150 million today and some of the items even bore the stamp Auschwitz," said Elan Steinberg, executive director of the World Jewish Congress.

Sources close to the State Department said other documents showed that victim gold wound up in the gold pool of the commission set up by the Allies after the war to return the looted metal to its rightful owners.

The sources said the report would also document that other neutral countries during the war — Sweden, Spain, Portugal and Turkey — received looted Nazi gold but returned only a tiny fraction.

BRIEFLY

Battle Lines Set On China Trade

WASHINGTON — The White House threatened Friday to veto a Republican-backed plan to renew China's low-tariff trade status for a period of three to six months instead of the customary one year.

Earlier this past week, the House speaker, Newt Gingrich, said a shorter time would enable President Bill Clinton to withdraw the most-favored-nation trade status if China did not live up to its promises to protect freedom in Hong Kong.

But the White House press secretary, Michael McCurry, said democratic leaders in Hong Kong wanted unconditional extension of the trade status because it benefited the people of the colony. "Short-term extensions of MFN are bad for the people of Hong Kong," he said. "They create uncertainty." *(AP)*

Hanoi Tries Aides As Drug Smugglers

HANOI — More than 20 police officers, border guards and customs inspectors went on trial Friday for alleged links to a heroin smuggling ring, and the judge predicted that up to 10 of them would receive death sentences.

Reports indicated that testimony at the trial, which foreign reporters were barred from covering, could implicate senior officials in the Interior Ministry. "I will declare who has betrayed me and I will expose some extremely important people," one of the defendants, Vu Xuan Truong, the ministry's police inspector, was quoted as saying in the state-run Labor newspaper.

Mr. Truong was a top official working along Vietnam's border with Laos during the period he is accused of helping ferry heroin into the country. *(AP)*

American Denies Spying on Seoul

TOKYO — A U.S. businessman accused of espionage by South Korea "categorically denies" illegally obtaining South Korean military secrets, according to the U.S. lawyer advising him in Seoul.

"He never saw any classified documents," said James Durkee, who has been advising the espionage suspect, Donald Ratcliffe, who was arrested Wednesday. Mr. Ratcliffe, 62, is an executive of a subsidiary of Litton Industries Inc., a defense contractor.

The South Korean authorities say Mr. Ratcliffe obtained classified military information related to South Korea's plans to buy billions of dollars' worth of Airborne Warning and Control System planes. That information allegedly was passed from a South Korean Air Force officer to a Korean-American businessman who works as a local agent for Litton. He then allegedly gave it to Mr. Ratcliffe. *(WP)*

Taiwan Takes Aim At Soaring Crime

TAIPEI — President Lee Teng-hui apologized Friday for Taiwan's worsening crime problems, highlighted by the kidnapping and murder of a popular actress's daughter.

"I express my most sincere apology for the worsening social law and order," Mr. Lee's chief of staff, Huang Kun-huei, quoted the president as saying. "The government will take full responsibility." On Monday, the police found the body of Pai Hsiao-yen, the 17-year-old daughter of the actress Pai Ping-ping, floating naked in a river.

Mr. Lee made the apology during a security meeting attended by top government officials and military leaders intended to calm public fears over crime in Taiwan. The meeting was held ahead of a march Sunday by more than 20,000 people in Taipei to protest what is seen as the government's inability to stamp out crime. *(Reuters)*

Rwandans Flood Back to Hellish Camp At Kisangani

By James Rupert
Washington Post Service

KISANGANI, Zaire — The streams of Rwandan refugees seeking escape from Zaire have become an ocean. About 20,000 sick and hungry people crammed into the ruins of a refugee camp, overwhelming a relative handful of relief workers.

As many as 100,000 Rwandans fled into the jungle about two weeks ago, when Zairian villagers and rebel soldiers stormed their camps with machetes and guns, killing hundreds, relief officials say. Now the Rwandans' return, to a destroyed camp at Biaro, has become a vision of hell.

Muddy, forested hills are covered with refugees. The stronger ones mill about in search of transportation out, carrying bundles of belongings. The weak or dying sit on the muddy ground and wait. The air is heavy with the smoke of cooking fires, the odors of raw sewage and unwashed bodies — and, in places, the stench of ill-buried corpses.

[The rebels promised Friday to cooperate with United Nations aid agencies as an airlift to repatriate the Rwandan Hutu refugees gathered pace, Reuters reported.

[Moise Nyarugabo, a senior official in the rebel Alliance of Democratic Forces for the Liberation of the Congo, said aid agencies would be allowed more access to refugee camps south of Kisangani and could also use a railway.

[The UN refugee agency flew 781 refugees out of Kisangani on four flights Friday, bringing the total since the airlift began Sunday to 2,583, a spokesman said.]

John Moore/The Associated Press

Hutu refugees being bathed with disinfectant soap at a transit camp outside Kigali, the capital of Rwanda.

Many of the people in Biaro bear the wounds of the attack nearly two weeks ago — gashes from machete blows or body parts cut off. Aid groups scrambled to provide even basic first aid and to set up open-air feeding centers.

One of the camp's most desperate scenes became more so. Hundreds of sick and malnourished children and babies, some without family members, are among those reaching Biaro — and refugee workers have been able to do little more than gather them under a plastic tarp and give them water.

The Rwandan Hutu fled to Zaire more than two years ago after Tutsi rebels defeated them in a civil war. When Tutsi in Zaire rebelled against the government of President Mobutu Sese Seko, the Rwandan Hutu fled Tutsi advances, eventually walking more than 480 kilometers (300 miles) to reach this region. The rebel alliance, especially its military, is dominated by ethnic Tutsi and has failed to stop its troops from committing atrocities against the Hutu.

Relief officials said Biaro's population outstripped their ability to evacuate refugees. The United Nations has been able to truck only a few hundred refugees to Kisangani, from where they are being flown home to Rwanda.

The refugee agency continued to express frustration with what it said was poor cooperation by the rebels in coordinating evacuation and aid efforts. An agency spokesman, Paul Stromberg, said the local authorities have sent trainloads of refugees to Kisangani without warning the agency, leaving it to scramble to accommodate them here.

ZAIRE: *Talks Off, for Now*

Continued from Page 1

meeting would take place Friday, and urged the two men to hold the talks.

The spokesman, John Dinger, said: "These talks are very important for President Mobutu, very important for alliance leader Kabila, but, most importantly, very important for the people of Zaire. We believe it is essential that these talks take place. And we urge the leaders to make that happen."

Mr. Kabila's change of mind was the latest serious snag to hit the preparations for the talks proposed to end a seven-month rebellion against Marshal Mobutu's 32-year rule.

The rebel chief, whose forces have captured about three quarters of the vast country, has insisted that he is ready only to discuss Marshal Mobutu's immediate departure from power. The president's aides have said Marshal Mobutu wants to discuss a transition period leading up to elections.

Mr. Mbeki's jet left Luanda Airport at 18:05 P.M. for Pointe Noire in Congo, where he was expected to join up with international envoys trying to broker peace talks between Zaire's warring sides on board the South African ship, the Outeniqua.

Diplomatic sources said that Mr. Mandela was becoming frustrated by the delays leading up to the planned peace talks between Marshal Mobutu and Mr. Kabila. The sources reported Mr. Mandela as saying, "We need to stop wasting time."

Despite the efforts to find a peaceful solution, the rebels were massing forces in areas closest to the capital, the only major city still under control of Marshal Mobutu's troops. *(Reuters, AFP)*

■ Angolan Troops Join Rebels

Thomas W. Lippman of The Washington Post reported earlier from Washington:

Troops from Angola equipped with armored vehicles and heavy artillery have joined Zairian rebel forces pushing steadily toward Kinshasa in what appears to be the final drive to unseat Marshal Mobutu, according to U.S. officials and reports from Zaire.

The accelerating rebel advance has led to a widely shared assessment that Mr. Mobutu's fall from power is imminent, the U.S. officials said. As a result, the focus of diplomatic efforts is now on minimizing the bloodshed when the forces of Mr. Kabila enter Kinshasa.

Several thousand former Zairian paramilitary policemen and their sons from the province of Shaba, formerly Katanga, who have been living in Angola for many years, are advancing through south-central Zaire toward the capital, several sources said. These forces wore Angolan Army uniforms and had Angolan equipment including armored personnel carriers and long-range cannon, reports from the region said.

Regular Angolan troops also have massed in the Angolan enclave of Cabinda, north of Zaire's narrow western neck, but U.S. officials said they could not confirm reports that these troops have crossed into Zaire.

The Angolans want to get rid of Marshal Mobutu because for years he supported the Angolan rebellion led by Jonas Savimbi.

FDR: *Washington Honors Franklin Roosevelt's Lasting Legacy With a New Memorial*

Continued from Page 1

his emotional distance from his family, and the strange and almost Gothic structure of the FDR White House, where he lived with both a wife who shunned him physically and a female secretary who was in love with him, not to mention a galaxy of drop-in visitors, some of whom stayed for years.

But while historians all have much to say about the way he transformed the relationship between people and government, what appears to challenge New Deal historians the most is analyzing the magical, mysterious qualities of Mr. Roosevelt's leadership.

Doris Kearns Goodwin, author of "No Ordinary Time," remarks on his extraordinary political instincts, which "without all these stupid polls we have today seemed to tell him where the people were at any moment on any given issue."

"But instead of just freezing himself there, like politicians do today," she added, "he also felt the responsibility to move the people forward and somehow knew exactly how and at what speed to do that."

That exquisite sense of political timing, Ms. Goodwin said, is something that Mr. Roosevelt shared with Lincoln.

"Think of Lincoln and the Emancipation Proclamation," she said. "If he had signed it six months earlier, he probably would have destroyed the very delicate coalition in the North that was supporting the war and ended up destroying the Union in the process. If he had waited six months later, it would have been too late."

"Roosevelt had much the same sort of challenge between January of 1940 and late 1941," she added, "figuring out how to mobilize the country and its industry for war, deciding when he could sell Britain destroyers, and when we could begin escorting convoys and so on, moving the country from isolationism to face the reality of the war in Europe. It was a remarkable achievement."

As the leader who steered the country safely through the Depression and World War II, FDR is ranked with Washington and Lincoln among the greatest presidents.

Likewise in the 1930s, she said, Mr. Roosevelt "understood he had to shape public opinion about the new and different role government was going to play in their lives," and he did, in large part by exploiting for the first time the enormous power of radio.

Yet it was Mr. Roosevelt's particular gift of leadership, Mr. Beschloss said, that he appeared to be not the prime mover of all the change he wrought, but what Francis Perkins, his secretary of labor, used to call "the happy bus driver" of a free people powering themselves to their own destiny.

"He was clearly the best political tactician of the 20th century," said James Giglio of Southwestern Missouri University.

But Mr. Roosevelt also possessed that "extraordinary ability to communicate" complicated issues in everyday terms, he said.

When Congress and the public worried about lending destroyers to an embattled, almost penniless Britain, Mr. Roosevelt compared his complex Lend-Lease proposal to lending a garden hose to a neighbor whose house is burning. The hose owner doesn't want the price of the hose, he said. Rather, "I want my hose back after the fire."

If American historians seem fairly united in their respect for Mr. Roosevelt, there is another view.

Paul Johnson, the British historian and author of "Modern Times," has just finished a new history of the American people, and says, "I rate Franklin Roosevelt rather low."

Mr. Johnson said he saw Mr. Roosevelt as a somewhat fatuous leader whose greatest characteristic was "thinking he could handle Joseph Stalin" the same way Britain's appeasement-minded prime minister, Neville Chamberlain, tried to handle Hitler. "With the same result."

While Mr. Johnson credits Mr. Roosevelt for inspirational leadership during World War II and "phenomenal success" in mobilizing the United States for war, he thinks he was slow to recognize the threat of Nazi Germany and overcautious in combating an isolationist public sentiment that Mr. Johnson considers "vastly overblown." And the New Deal, Mr. Johnson contended, "was largely incoherent."

LABOUR: *Demons Lurk in Campaign Promises*

Continued from Page 1

and trying futilely to fend off disaster for the country's beef industry, will be replaced by what appears to be one of the most tightly disciplined shows in modern British politics.

But down the road for Mr. Blair lurk two potential hazards of career-threatening proportions. One of the demons he felt compelled to exorcise was the Labor Party's reputation for taxing and spending. To do so, he vowed not to raise income taxes; to spend no more than the Conservatives have already budgeted yet still improve struggling public services, particularly the National Health Service, and to narrow the embarrassing gap between rich and poor.

But virtually no independent person knowledgeable about government finances believes that his pledges make sense mathematically. The no-tax vow could prove a curse, as it did for President George Bush and for Mr. Major. The Blair campaign came to realize this recently and cobbled together revenue proposals, including a plan to divert funds from the National Lottery and sell off government assets such as the air traffic control system.

Neither plan would necessarily provide a lot of money or steady revenue, and neither would be without controversy. At the same time, investment analysts are pleading for an increase in interest rates to cool off the economy, a measure that could help avoid inflation but could also hurt consumer spending, business profits and tax revenue.

On top of this is the problem of the increasingly expensive pound. A strong pound is fine for Britons vacationing in France or Spain. But for exporting industries, it is a potential nightmare, because it means that foreigners are being asked to pay more for British goods and services.

Exporters — responsible for about one-third of Britain's gross domestic product — already are reporting sharply declining profits, and this also means lower revenue for the treasury.

The new government's other big problem is quite likely to be the same one that stalked the old: Europe. Important decisions await Mr. Blair on proposals for further integration of the 15 nations in the European Union — including whether to sign on to the single-currency program planned for 1999 that eventually would eliminate the pound and all other currencies of EU members and replace them with a new unit, the euro.

Europe as a political issue is Britain's equivalent of something like the school-prayer issue in the United States: Not everyone cares about it, but those who do are passionate. Divisions over Europe helped bring down the Conservatives. There are divisions in the Labor Party as well, but they were kept under control during the campaign.

While generally friendlier toward European integration than the Conservatives, Mr. Blair has remained noncommittal about the euro, promising to put it to a referendum if his government sought to join the common currency. In consequence, Britain is unlikely to be in the first group of countries signing up for the single currency.

Some business executives and others say that could be a disaster — for the pound and for business. Others say the country will take it in stride. But all agree that the anticipation of Britain being on the outside and Germany and France on the inside in the new currency arrangement is a source of considerable anxiety.

Ultimately, whether Mr. Blair can avoid raising taxes or cutting public services, let alone improve them, will depend largely on the economy. The economy, however, has been dependable only in one respect: Bust follows boom, often in relatively quick succession. Unfortunately for Mr. Blair, the boom is now, and if there is to be a bust, it could well come on his watch.

Max Nash/The Associated Press

Members of the staff at No. 10 Downing Street lamenting the departure Friday of John Major, their boss at the official residence for the last six and a half years.

EUROPE: *Hope of U.K. Shift*

Continued from Page 1

"Voters did not like the anti-European rhetoric of the past few days and weeks, and this should be a lesson for all those who want to win votes with anti-European polemics," Mr. Kohl said in Brunei, where he was traveling.

Mr. Blair's immediate challenge in Europe will come in the negotiations on a new treaty to overhaul the Union's governing institutions.

The Dutch government moved for an early test of Mr. Blair, calling Friday for an informal summit meeting of EU for May 23 in the seaside town of Noordwijk. Dutch officials hope the new prime minister will show enough flexibility to end the recent stalemate in negotiations, and enable leaders to conclude the treaty on schedule at their regular meeting on June 15 and 16 in Amsterdam.

Mr. Blair's biggest concession to Europe to date has been his commitment to sign the EU Social Charter, under which the Union can adopt labor legislation by a majority vote among the 15 members. Many European countries have criticized Britain for exploiting its lower wages and job protection to poach growth and employment.

Labour officials also have indicated that the new government will support a modest extension of majority voting in drafting EU legislation in areas like the environment, research and industrial policy.

But on one of the key issues in the negotiations, whether to allow a vanguard of EU countries to develop common policies without hindrance from reluctant countries, Mr. Blair has stuck to Mr. Major's insistence that Britain retain a veto over the use of a so-called flexibility clause.

"This is the big issue that has to be decided," an Irish official said.

Labour sources indicated that Mr. Blair could send the first signals of a more-accommodating posture as early as Monday by dispatching a junior minister to take over Britain's seat at the EU treaty negotiations.

Britain's Power Shift/ *The Blairs Move In, the Majors Head Off for Lunch and Cricket*

In British Style, the Loser Quickly Goes His Way

By Warren Hoge
New York Times Service

LONDON — There is nothing brisker about the British than the speed with which they dispatch defeated prime ministers.

On a day so rich in ceremony that the official tendering of the resignation to the queen is still called the "kissing of hands," a prime minister is unceremoniously turned out of the official residence at No. 10 Downing Street within hours of being turned out of office by the voters.

On Thursday night at 10 P.M. John Major found out from the exit interview forecasts issued the moment the polls closed that the Conservative Party had been routed in the national election. On Friday morning at 11:30 A.M. he and his wife, Norma, left the home they had occupied for the last six and a half years for the last time.

While they sped down the Mall to Buckingham Palace on their final ride in the official green Daimler, moving vans showed up at No. 10 and took their personal effects off to their suburban home in Mr. Major's constituency of Huntingdon, near Cambridge.

"Just as he loses his car, he will have to pay for the move," said Michael Gerson, head of the removal company that hauled out the belongings. "It's a rough world for him now."

Mr. Major, who like many who had followed the election results through Thursday night and Friday morning had not slept, emerged into the sunlit street in front of No. 10 at 11:25 A.M. and made a brief statement.

He offered his successor, Tony Blair, "warmest congratulations," said that he was going to the palace to resign his post and added that he would be stepping down as leader of the Conservative Party as soon as his parliamentary colleagues selected a new chief.

There were no tears, no V for victory gestures, no evident sorrow.

Mr. Major had things in very British perspective. "I hope Norma and I will be able to get to the Oval in time for lunch and then watch some cricket this afternoon," he said.

Then they were off to the palace to see the queen. In a 30-minute conversation in the official audience room, Mr. Major formally offered his resignation and, as a subsequent announcement, recorded tersely, "It was accepted."

While they talked, a limousine headed for the Islington home of the Blairs, who emerged into a street full of cheering neighbors and onlookers. Mr. Blair and his wife, Cherie, got aboard and proceeded about a hundred yards, and then they did something that had commentators making new comparisons of Mr. Blair to President Bill Clinton: He and his wife got out of the car and pressed the flesh along the police barricades.

The motorcade carrying the Blairs, the couple's young children and relatives and top aides then snaked through London's streets and boulevards until it was on the same Mall passage Mr. Major had traversed less than an hour earlier.

Mr. Blair entered the audience room where, as the man capable of assembling a parliamentary majority, he was in line to be asked to form a new government.

When he emerged minutes later, he was the prime minister of Britain, the tenth in the queen's reign. The official Daimler was waiting to speed him to his new home, No. 10 Downing Street.

Standing at the same portable microphone where Mr. Major had announced his departure 90 minutes earlier, Mr. Blair reported that the queen had asked him to form a government and that he had accepted.

Then he and his wife scooped up their three children — Euan, 13, Nicholas, 11, and Kathryn, 9 — and entered the famous black door with the simple brass number 10 on it. They were home.

Joe Haines, press secretary to Harold Wilson, who left office in 1970, said, "It's rather like a heavyweight contest: Once you get knocked out, you just get carried from the ring as quickly and decently as possible."

No. 10's dispossessed tenant, Mr. Major, has often said he feels most at home at a cricket pitch, and that may explain the contented demeanor he brought to the Oval in Surrey, south of London, on Friday afternoon. "Where else would I go on a day like today when the sun is shining?" he told reporters.

David Wendling/The Associated Press

Baroness Thatcher telling journalists Friday that she would speak out if Tony Blair did not safeguard the legacy of her policies.

German Opposition Eyes Blair 'Tory Lite' Example

Social Democrats Seek Ideas for Own Battle

By John Schmid
International Herald Tribune

FRANKFURT — The Social Democratic Party, Germany's chronically divided opposition party since 1982, is looking to Tony Blair's stunning rout in Britain for its own election strategy next year.

Even before the final British vote tallies were announced Friday, the Social Democrats began a debate about who ranks as their nearest equivalent of Mr. Blair, whose "Tory lite" economic policy borrows heavily from the Conservatives' pro-business gospel.

After 16 years of Chancellor Helmut Kohl's center-right administration, the resounding magnitude of Mr. Blair's victory very likely will be viewed as an affirmation that Germany, like Britain, is now ready for watershed change in policies when Germans go to the polls in October 1998. Karl-Heinz Klaer, a Social Democratic political strategist in Bonn, predicts that even a Social Democrat-led government will probably be forced to adhere to many of Mr. Kohl's free-market programs, similar to the way Mr. Blair became an unlikely heir of Thatcherism.

Germany's left saw an opportunity to bask in Mr. Blair's success. "In 73 weeks we'll do exactly the same. Congratulations, Tony Blair." proclaimed a billboard outside the Social Democrat's Bonn headquarters.

Gerhard Schroeder, popular leader of the Social Democrat's conservative wing, in particular is expected to seize on Mr. Blair's landslide victory as confirmation that he will be the best man to challenge the veteran Mr. Kohl.

Mr. Schroeder declared that the British results proved that other left-leaning parties can use modern economic policies to win in an age of economic globalization.

Mr. Schroeder made the comparison Friday during a 12-day visit to the United States, where the German politician is meeting with some of the most powerful industrialists.

Interspersed with speeches about high technology, Mr. Schroeder has scheduled appearances with Bill Gates, the Microsoft chairman; Louis Platt, the Hewlett Packard chief executive, and John Smith, chairman of General Motors. Showing he is at home in the epicenter of Anglo-Saxon capitalism, he plans to visit the New York Stock Exchange and investment houses like J.P. Morgan and Goldman Sachs.

Mr. Schroeder, 53, who is often photographed smoking jumbo cigars, appears to be making the point that he understands the more flexible ways of American business. The message will not be missed back in Germany, where his main rival for his party's nomination, the Social Democratic party chief, Oskar Lafontaine, clings to the traditional big-government German consensus model.

The ideological rift between the maverick Mr. Schroeder and Mr. Lafontaine underscores a deep and long abiding split within the German opposition. Mr. Lafontaine has embraced the nation's unions and recently became one of the few German leaders to endorse a shortened, 32-hour work week, an approach to resolve Germany's record unemployment that has been ridiculed by German industry.

The Social Democrats have rejected pressure to choose their chancellor candidate before next April, until after Mr. Schroeder faces reelection as premier in the state of Lower Saxony. The ability of the German opposition to mount a credible campaign against Mr. Kohl has ramifications beyond Germany. A loss for Mr. Kohl, who plans to run for a fifth term, means Europe would lose its most ardent integrationist and its most experienced statesman, one who has outlasted Margaret Thatcher, Ronald Reagan, Mikhail Gorbachev and now John Major. Popularity polls show that Mr. Schroeder, also a fan of President Bill Clinton's re-election strategy, has vastly stronger chances of ousting Mr. Kohl than does Mr. Lafontaine, who already lost once to Mr. Kohl in 1990.

Fritz Reiss/The Associated Press

Franz Muentefering, the Social Democratic Party manager, presenting a new poster outside Bonn party headquarters Friday. The poster reads: "In 73 weeks we will do the same. Congratulations, Tony Blair."

Sinn Fein Captures 2 Seats In Parliament, Leaving Role in Peace Talks Hazy

By James F. Clarity
New York Times Service

BELFAST — In the strongest showing it has ever made in a British national election, Sinn Fein, the political wing of the Irish Republican Army, won in voting for two of the Northern Ireland seats in the British Parliament, according to results announced Friday.

Both Gerry Adams, the Sinn Fein president, and the party's second-ranking official, Martin McGuinness, were elected.

Their overwhelmingly Roman Catholic party took votes and seats away from both the mainstream Social Democratic Labor Party, which is dominated by Catholics, and the Democratic Unionist Party, which is hard-line Protestant.

Mr. Adams and Mr. McGuinness will not actually take the seats, as Sinn Fein policy precludes their taking the necessary loyalty oath to the British Crown, which the party considers an illegal occupier. But they said the party would open offices in London near the House of Commons and argue positions from outside.

Sinn Fein's total vote in the British province was 16.1 percent, slightly higher than its total in elections last May for the Peace Forum, an adjunct of the formal peace talks that began in June 1996 but have made little progress.

Before the election, Sinn Fein had no seats in Parliament in London and had never won two seats in Commons.

Generally, the Ulster Unionist Party, the largest political organization in the province, gained a seat and now holds 10; the Democratic Unionist Party of the Reverend Ian Paisley lost a seat and has 2; a smaller unionist party has one, and the Social Democratic Labor Party has 3. The Social Democrats got 60 percent of the Catholic vote, Sinn Fein, 40.

The effect the results might have on the peace effort was unclear. Sinn Fein is in a stronger arguing position, experts said, better able to insist that it has a moral and political mandate.

The unanswered question is whether the new configuration will move the stengthened mainstream unionists toward accepting Sinn Fein at the negotiating table and whether Sinn Fein's show of strength will produce an IRA cease-fire.

Mr. Adams, who regained the seat in West Belfast that he lost five years ago to the Social Democrats, made it immediately clear that he would use his party's showing to argue with the new British government that Sinn Fein should be invited to join the formal peace talks when they resume in Belfast on June 3. They are an effort to settle the sectarian warfare that has killed 3,212 people since 1969.

Sinn Fein has been excluded from the talks by the Irish and British governments until the IRA restores the 17-month cease-fire it ended in February 1996.

On Friday, Mr. Adams said, "I want to see an end to all armed actions," but said nothing about going again to the IRA to persuade it to restore the cease-fire.

Sinn Fein advocates a peaceful settlement but refuses to condemn the IRA campaign of violence and says it understands the group's "armed struggle."

Tony Blair, the new prime minister, said little about what his Northern Ireland policy would be during his campaign. But in an article in The Irish Times in Dublin on Monday, he wrote: "Perhaps Sinn Fein's ambivalence about violence reflects its small electoral base. But democracy requires that even the smallest party pursue its aims through methods that are exclusively peaceful.

"It is a lesson that Sinn Fein must learn before it will earn the right to sit and talk with other democratic parties in Northern Ireland. There must be a genuine cease-fire from the IRA. It must be proven to be genuine in both word and deed."

Marjorie Mowlam, who is expected to be Labour's secretary for Northern Ireland, said in London that a cease-fire was needed before she would talk to Mr. Adams or his party.

John Hume, the leader of the Social Democratic Labor Party, who was re-elected to the British Parliament from the western part of the province, said he hoped the Labour government would invite Sinn Fein to the talks next month.

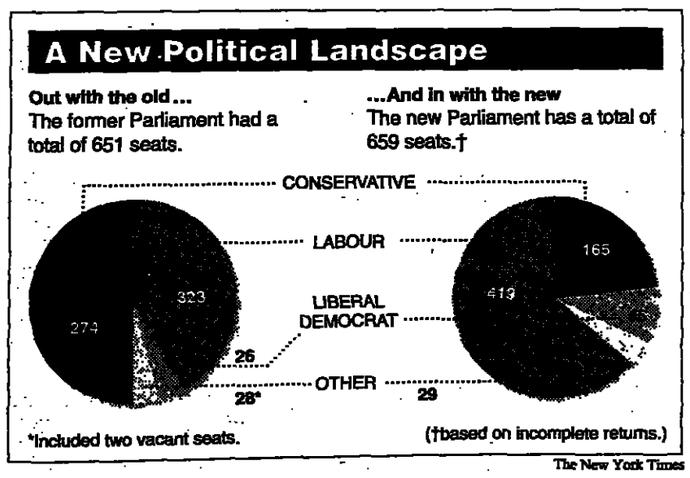
This implied, as Mr. Hume has repeatedly stated, that there would have to be a prior IRA cease-fire.

While Mr. Hume and Mr. Adams are enemies in elections, they initiated together the current peace effort in 1993 and have said that, with the elections over, they will again cooperate to move the stalled peace effort forward.

In his campaign, Mr. Adams used photographs of himself and Mr. Hume to attract mainstream Catholic voters.

BLAIR: *Labour Takes Power as 'Curtain Falls' on Conservatives*

Continued from Page 1



The New York Times

less surprising than the swings from Tory to Labour or Liberal Democrat by which they lost them: 15 percent to 18 percent in constituencies where Labour was hoping for 7 percent or 8 percent.

The country elected a record number of women to be members of Parliament, about 120, double the current count.

The postmortems became only semirelevant. It was not one issue or two issues, said the Conservative Party's chief strategist, David Willetts. It was everything. Even the Conservative's strongest card, the booming economy, may have worked against the party, Mr. Willetts told BBC TV.

"It made people feel they could take a risk with Labour," he said. "The more we were on the economy, the more people thought, 'Well, things are going so well, even the Labour Party can do it.'"

In 1992, according to political folklore here, the Conservatives won thanks to the support of an archetypal striving lower middle-class voter living in Essex and dubbed "Essex Man." In 1997, "Essex Man" voted Labour, along with "Worcester Woman," "Gloucester Man" and all the rest.

All agreed that Labour outcampaigned the Conservatives. Labour stuck to a single message, that it was the "New Labour," a modern party which could be "trusted," not old Labour, which was obsolete and focused on such close-to-home issues as health care and schools.

The Conservatives, in part because of their divisions, kept changing their tune. One day it was the economy, the next it was Europe; the day after that it was "the survival of the United Kingdom."

In a Jimmy Carter-style departure from tradition, Mr. Blair — at 43, the youngest British prime minister this century — got out of his car on Whitehall, a half-block shy of the entrance to Downing Street, and walked through crowds.

He then delivered a five-minute statement. "It is a mandate for New Labour," he told the throng. "And I say to the people of this country, we ran as New Labour and will govern as New Labour. It was a mandate to get those things done that need doing."

"For 18 years my party has been in opposition," he added. "It could only say. It could not do. Today we are charged with the deep responsibility of governing. Today, enough of talking. It's time to do."

He then went inside with his wife and three children and began appointing cabinet members — John Prescott as deputy prime minister; Gordon Brown as chancellor of the Exchequer, and Robin Cook as foreign secretary — summoning each to the residence for the time-honored walk past the press and into power.

Key Figures in the Labour Government

Gordon Brown, 46, chancellor of the Exchequer, responsible for economic policy. He will try to reconcile Labour's commitment to improving education and the health service with the rigorous spending targets inherited from the Conservatives.

Robin Cook, 51, foreign secretary. A tenacious and formidable debater, Mr. Cook is probably Labour's best performer in the House of Commons. His rivalry with Gordon Brown, a fellow Scot, could be a problem for the Labour government.

John Prescott, 58, deputy prime minister with responsibilities for transportation and environment. As deputy leader of the Labour Party, he contributed greatly to a unified and disciplined campaign by reassuring the old left.

Marjorie Mowlam, 47, the party's spokeswoman on Northern Ireland, and likely to be secretary for Northern Ireland. During the campaign she suggested that Sinn Fein could be invited to join all-party talks within weeks of a new IRA ceasefire.

Source: Reuters IHT

The Battle to Succeed Major

Heseltine Is Slight Favorite, but as a Stopgap Leader

Reuters

LONDON — John Major's decision to step down as leader of the Conservative Party looked certain to set off a bitter battle for his succession, with the policy toward Europe that beset Mr. Major at the center of the fight.

After his announcement, politicians and analysts speculated on how much more damage the succession contest would do to a party that had already taken a huge battering from the voters.

"The civil war will now break out in earnest, and I think it will disable the Conservative Party for some time to come," Paddy Ashdown, the leader of the minority Liberal Democrats, who have made big gains, told BBC television.

Some previously potential successors are out of the running. Michael Portillo, who was defense secretary and is the champion of the Euroskeptic right, was defeated in his north London constituency. Foreign Secretary Malcolm Rifkind lost in Scotland, where every Tory seat was lost.

Chris Patten, once spoken of as a possible successor, cannot return to British politics until the end of June, when his job as Britain's last governor of Hong Kong ends when the colony reverts to Chinese rule.

This leaves the William Hague, 36, who was secretary for Wales, and Michael Heseltine, 64, who was deputy prime minister, as likely contenders.

The bookmaker William Hill made the two men favorites, with the moderately pro-Europe Mr. Heseltine at 7 to 4 odds to become what would be surely be, given his age, a stopgap leader, followed by the more Euroskeptical Mr. Hague, at 2 to 1 odds.

Both men appeared at Conservative headquarters as the first election results came in to urge "a period of reflection" before any decisions about the party's future direction were made. But with Mr. Major's decision to quit, that will be impossible.

Mr. Portillo's enforced absence could be a big boost for John Redwood, the former cabinet minister who challenged Mr. Major for the party leadership two years ago.

Mr. Portillo and Mr. Redwood, 45, were, until Thursday, regarded as the two potential challengers from the Euroskeptic right.

The much-reduced band of fewer than 170 Conservative members of Parliament will be the only ones to vote in the party election. If they are worried that Mr. Redwood would be incapable of uniting the party, they could go for a compromise candidate.

Names that have been canvassed include the former home secretary, Michael Howard, a rightwinger, and the outgoing health secretary, Stephen Dorrell.

But the chances of the outgoing chancellor of the Exchequer, Kenneth Clarke — the first declared candidate — look slim because many Conservatives are hostile to his sympathetic stance toward Brussels.

New Commons Will Be a House of Many Firsts

Compiled by Our Staff From Dispatches

LONDON — Labour's overwhelming victory in the British general election will create a House of Commons that is more youthful, feminine and sexually and religiously diverse.

With 102 members of Parliament retiring and 15 failing to be retained as candidates by their local parties, the 659-member Commons will have its largest injection of fresh blood since 1945.

Labour's huge majority will mean that the number of women in Parliament will rise to about 120 from 63, the first time it has topped 100. The party adopted a policy of women-only candidate lists in a quarter of all seats.

The influx of youth should be just as noticeable. In contrast to many members who have just retired, the average MP will now be just a little older than the 43-year-old prime minister, Tony Blair. The average age of the Conservative candidates was 45 and of the Labour candidates 47.

The election also yields a series of other firsts for the new Parliament: It will contain the first Muslim MP (Mohammed Sarwar, representing Govan), the first member to declare himself gay before being elected (Ben Bradshaw, Exeter), the first sisters and twins in the same Parliament (Angela and Maria Eagle, 36) and the first blind cabinet minister (David Blunkett).

Martin Bell, a former BBC war correspondent, becomes the first independent member in 50 years. The anti-corruption candidate beat Neil Hamilton, a former government minister at the center of a payoff scandal, in what was the country's fifth safest Tory seat.

For the one term he has vowed to serve, however, Mr. Bell faces a problem of where to sit, as the Commons contains no "cross-benches" for the benefit of members not affiliated with any party.

"I've thought of alternate parking on one side and then the other," Mr. Bell said. "It's a real problem."

The Labour landslide swept out six Conservative cabinet ministers, including Foreign Secretary Malcolm Rifkind and Defense Secretary Michael Portillo.

Not one of the 547 candidates running for the Referendum Party of the billionaire Jimmy Goldsmith was elected.

The party — which campaigned on the promise to hold a referendum on relations between Britain and the European Union — won 800,000 votes, or 2.6 percent of the total.

But Mr. Goldsmith claimed that his campaign, which is estimated to have cost £20 million ($32 million), had been a success in that it had placed Europe at the heart of the electoral debate.

Mr. Goldsmith, who ran in the constituency of Putney, in southwest London, against a former heritage minister, David Mellor, failed to reach 5 percent of the vote, winning barely 1,500 supporters.

After he lost to his Labour rival, Mr. Mellor denounced Mr. Goldsmith.

"I would like to say to Sir James Goldsmith that 1,500 votes is a derisory total, and we have shown tonight that the Referendum Party is dead in the water," Mr. Mellor said.

The seat of former Prime Minister Margaret Thatcher in Finchley, North London, went to a Labour candidate of Dutch origin, Rud Vis.

In Scotland, where the Conservatives previously held 10 seats, the Tory defeat was stunning.

Never in its history has the party been without an MP from Scotland, and in 1955 it was the majority party there.

Of 72 seats in Scotland, Labour won 56, an increase of six: the Liberal Democrats 10, an increase of 4; and the Scottish National Party 6, an increase of 3.

In Wales, the Labour Party won 34 of the 40 seats, the nationalists 4 and the Liberal Democrats one. *(AFP, Reuters)*

ART

Budapest Fetes Jewish Diaspora

By Ruth Ellen Gruber

BUDAPEST — At the entrance to a major new exhibit at Budapest's Jewish Museum hang prewar oil paintings of a neoclassical Budapest synagogue that was built in the 1820s. The synagogue still stands and looks much the same. But today it is used as a television studio.

Nearby hangs a huge canvas of a bearded Jew in a black hat bending to touch a black wall. The painting is by Laszlo Feher, who is one of Hungary's best-known contemporary artists and a convert to Judaism.

In many ways these works and their contexts exemplify the concept behind the exhibition as a whole.

Entitled "Diaspora (and) Art," the exhibit brings together some 500 pieces in a carefully devised exploration of the changing position of Jews, artists and intellectuals within Hungarian history and society.

"The Diaspora is a kind of mentality where people are not exactly inside society; they are people on the border of society," said Levente Thury, the Budapest ceramicist who curated the show along with Gyorgy Szego, an art historian.

"Society accepts them but sometimes hates them, sometimes creates difficulties. But there is also a sort of freedom in being a little bit outside — this is the Diaspora," Thury added.

THURY said the original idea behind the show had been to present an exhibit of "Jewish art" utilizing the hundreds of pieces that for decades under communism had sat locked and forgotten in the museum's storerooms.

The aim was to create an important exhibit that would heighten the profile of the Jewish Museum and Jewish culture in the Hungarian mind at large. Under communism, the museum was little more than a marginal display of ritual objects; further exploration of the role of Jewish culture in Hungary was taboo.

Thury and Szego worked with the director of the Jewish Museum, Robert Ben Turan, and spent months rummaging through the museum's long-neglected collection. They also located art works in other museums and private collections and contacted contemporary Hungarian artists, Jewish and non-Jewish alike, to lend works, so that the pieces included in the show date from the early 19th century to the present.

The show, which opened in March and is scheduled to run through the coming year, is the first major exhibit to be held in the Jewish Museum's newly enlarged and refurbished exhibition gallery, which doubled the existing museum space.

Paintings, graphics and sculpture have been arranged in a series of rooms to lead visitors through a historical, artistic and psychological confrontation with themes such as tradition and identity, assimilation and exile. Isolation and responsibility are also key motifs.

Given the topicality, size and complexity of the exhibit, it is unfortunate that funds were not found to produce a catalogue.

The show includes works by Jewish artists on non-Jewish themes and works by non-Jewish artists on Jewish themes. All styles are represented, ranging from the classically conservative to the abstract and the conceptual. The pieces are carefully put in groups so that the juxtaposition provides a commentary on each work, a style or an implicit idea.

A sculpture of Moses by the turn-of-the-century assimilated Jewish sculptor Jozsef Rona, for example, shares a room with a stark, hermaphroditic Moses by Jozsef Jakovits, a non-Jewish contemporary artist who had strong links to Judaism.

Ruth Ellen Gruber

Figure of Moses by Jozsef Jakovits in Jewish Museum.

The Holocaust is not a specific theme, and few pieces deal directly with the Shoah. But the murder of 600,000 Hungarian Jews by the Nazis and homegrown fascists forms an inescapable subtext.

One painting shows a street corner in Paris, painted in 1931 by the non-Jewish artist Istvan Cserepes. In the 1940s, Cserepes had a studio in Budapest's Jewish quarter. In 1945, he protested when the fascists rounded up Jews from his building — and he was taken along with them and shot on the banks of the Danube with his neighbors.

Also providing a symbolic contrast are several large installations put together by Thury and Szego from old pews, ritual objects, books and decorations taken from Budapest's ornate Dohany Street synagogue, which is next door to the Jewish Museum. The synagogue, built in the 1850s and the largest in Europe, was reopened last year after a full renovation.

The walls of the first rooms are crowded with paintings, many of them portraits. Frame nearly touches frame, from floor to ceiling in an almost claustrophobic manner.

"We created a living crowd," said Ben Turan. "But this crowd represents a killed and lost mass of Jews — we revitalized it."

There is a portrait of a soldier with earlocks, portraits of Jewish authors, Jewish community leaders, anonymous families in their living rooms and shops. One contemporary, multiple-portrait piece includes a mirror.

The pictures were massed together not just to represent pre-Holocaust life, but also to represent loneliness within a crowd.

WALL texts caption various sections of the exhibit. One in particular sets the tone for the show, a quotation from the artist Ron Kitaj: "After Auschwitz, everyone lives in the Diaspora now."

Recalling the *Arbeit Macht Frei* quotation above the gate of Auschwitz, it is written above a doorway leading to the latter rooms of the show, where contemporary artworks dominate.

The works are more scattered here. The walls are more bare, representing the isolation within contemporary society, the stifling of artists and intellectuals under communism, and the diminished size of the Jewish population.

Ruth Ellen Gruber is working on a new book about non-Jewish interest in Jewish culture in Europe.

Painting the Idea of Painting

By Phoebe Hoban

Jack Manning/The New York Times

Mark Tansey sitting in front of his painting "Soft Borders" in his New York studio.

NEW YORK — Mark Tansey sits back in his Tribeca studio to observe his latest painting, putting his mug of tea on a wooden wheel inscribed with enigmatic phrases like "rogue programmers," "the prisoner of foreplay" and "encountering the original." Although it's now a table, Tansey invented the wheel as a kind of handmade metaphor machine.

Spinning it like a wheel of fortune provided permutations of philosophical and metaphysical problems, which he used as reference points for his paintings.

Tansey's wheel is, in a sense, a compass, a guide through the territory of his work; he is the master of mordant polemical paintings about modernist art theory and deconstructionism, a painter who makes paintings about the idea of making paintings.

"I think at this point I've gotten beyond the wheel," says Tansey, whose new work is on view at the Curt Marcus Gallery in Soho. "It was something I used against artist's block to provide narrative. Now I've gotten to another understanding of what motivates pictures."

After a year's "self-paid" sabbatical, Tansey has found what he was looking for, a new "technophor," as he calls it. He defines the term as "a metaphorical technique for connecting subject matter and ideas."

Tansey's studio, one block from the loft where he lives with his wife, Jean, and their three children, is itself a technophor, a model of his mind at work.

There is no surface that is not layered with images or images of images; collages, photographs and Xeroxes. Tansey has catalogued them with labels like "aperture as object," "light trajectories," "reversal of black and white."

"I had come to the end of what I thought of as a lover's quarrel with post-structuralism," says Tansey, 47, an appealing, introspective man. "I like the idea of reverse deconstruction, which is construction.

"The question I am addressing now is, 'How do you make meaning pictorial?'

"It's no longer about getting direct equivalence between the material and the idea. It's not about capturing the real. It's the transition, what happens between the material and the ideas. What is that interaction? I think it's basically analogy. I'm working with pictorial rhetoric; how we read different kinds of visual order."

THE curious red painting that dominates his studio needs more work for the show, but already it does what the artist intended: raises questions about the nature of time, space and painting itself. Tansey has used a mountainside as the backdrop for this latest intellectual inquiry.

The realistically rendered canvas, titled "Soft Borders," is actually made up of four interrelated scenes, each depicted from a different perspective, yet somehow converging, as if Tansey were trying to illustrate a wrinkle in time. A small tribe of American Indians shares the mountain with a band of surveyors, a tourist group and a toxic-waste-removal crew.

"It's a short history of the West," he says, "from four different points of view."

Since he moved to New York from California in 1974, Tansey has been delving into visual conundrums that few contemporary painters have chosen to contemplate.

Born in San Jose, California, in 1949, Tansey was exposed to aesthetic discourse as a child.

His father, Richard Tansey, is an art historian who worked on the famous textbook "Gardner's Art Through the Ages." His mother, Luraine Tansey, devised one of the first computerized slide archives.

After graduating from the Art Center College of Design in Los Angeles, Tansey joined the Hunter College studio-art graduate program in Manhattan. But his real education in modernist theory was as Helen Frankenthaler's assistant. "I held the paintings while Clement Greenberg critiqued them," he says. "Straight from the horse's mouth."

In 1980, Tansey completed the first painting in what became his signature style. The 52 panels of "A Short History of Modernist Painting" are witty windows onto various artistic conventions, from the figurative to Minimalism.

The painting used painting itself to tackle contemporary art theory and also established his idiosyncratic iconography; figures drawn from popular culture — particularly that of the 1950s — rendered in a deliberately archaic, monochromatic style. By 1984, Tansey's work had been acquired by the Metropolitan Museum of Art, the Whitney Museum and the Museum of Modern Art.

Arthur Danto is among the critics who have praised his work. "Mark made the intellect central to his paintings," he says. "That was about as subversive of received dogma as it was possible for an artist to be."

Tansey has quietly painted some of the most acerbic art criticism of the last decade. In "Triumph of the New York School," 1984, one of his best-known works, he borrows the format of Velazquez's "Surrender of Breda" to comment on the moment when New York supplanted Paris as the capital of modern art.

In "Derrida Queries de Man" (1990), Tansey creates a precipitous post-modern pas de deux on the edge of a cliff of text. He excels at one-upping the schools of thought he refers to by using their own signifiers as weapons in his artistic arsenal.

"I think Tansey has a wonderfully sharp wit," said the art critic Robert Hughes, who reproduced "Triumph of the New York School" in his new book, "American Visions."

"I've never seen a work of his that I didn't find interesting."

TANSEY'S current source of technophors is the new sciences. "I've been reading things about catastrophe, chaos and complexity theory," he says.

"It's fascinating to go to another field where there is this explosion of kinds of visual order. These scientists are dealing with the problems of the difference between representations and the world as it is. And they are coming to an understanding of the importance of metaphor."

For Tansey, that importance has been obvious all along.

Phoebe Hoban, the author of a forthcoming biography of Jean-Michel Basquiat, wrote this for The New York Times.

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Market Heat Also Rises For Asian Art Rarities

London Prices Soar in Several Fields

SOUREN MELIKIAN
International Herald Tribune

LONDON — The temperature is rising in the art market as major works get scarcer and awareness of the scarcity intensifies. The novelty is that the most rarefied areas are beginning to be affected.

The trend made itself felt during the Asian week in New York, when a superb gilt bronze statue from 14th-century Nepal surprised professionals as it climbed to a world record for Himalayan sculpture at $277,500. The buyer was a New York art connoisseur venturing for the first time into the uppermost financial strata of the Indian and Himalayan market.

Last week it was the turn of Indian, Iranian, Turkish and Arab art, most of it lumped together under the meaningless all-purpose label "Islamic," plus a number of Hindu or Tantric works that then went down as "Indian."

The first outburst took place April 23 during Sotheby's sale of Oriental manuscripts and miniatures. One of the jewels was a group of miniatures bought in the mid-1970s and early '80s by Hashem Khosrovani of Tehran, one of the shrewdest Iranian collectors in the field of Iranian, Indian, Turkish and Arab art. Bizarrely, Sotheby's introduced the group as "an important European private collection."

The first rarity was a miniature from a famous Tantric series represented by six leaves from the manuscript in the Lahore Museum and by another group discovered in America in the 1970s.

Khosrovani bought the Indian miniature, which belongs to the Basohli school of Pahari painting, at its height around 1660-1670, in 1980 from Colnaghi, London. Ten years later, that miniature was included in the groundbreaking work on Pahari painting by the Indian scholar Brijinder Nath Goswamy and his colleague from the Rietberg Museum in Zurich, Eberhardt Fischer. They attributed the work to the artist Kripal. Thus enhanced, the miniature set a world record for Pahari miniature painting at £166,500 ($270,000).

Minutes later the feat was repeated with a Persian astronomical manuscript from Mogul India, "The Book of the Hour," bought in 1978, also from Colnaghi. The manuscript is unique. Commissioned by a foster brother of the Mogul emperor Akbar, it was copied at Hajipur near Patna. The Nasta'aliq calligraphy by Muhammad Yusuf is outstanding.

Most important, its 12 miniatures are in a style, otherwise unknown, based primarily on the Iranian model and immune to the massive European influence that was shortly to change the course of Mogul court painting. At Sotheby's, in 1976, it caused a sensation and sold for £22,000. This time, the price of the unique and highly important was £188,500, courtesy of a U.S. buyer.

A day later, the subject switched to three-dimensional art. At Sotheby's, 13 bronzes bought by Khosrovani at the same time as the miniatures were again identified as "the property of a private European collector."

At first, the spell seemed to be broken. An Iranian ewer of the eighth or ninth century, bought in the mid-1970s from the dealer Reza Atighechi, sold for £5,750, well under the estimate. Did the fanciful description of "Tulunid ewer from Egypt" deter some buyers, probably aware that it is a typical Eastern Iranian shape of which an example in the Kabul Museum is illustrated in my "Islamic Metalwork From the Iranian World"? They certainly did not suffer from cold feet seconds later when the next lot came up.

THE small pen case and inkwell in silver-inlaid bronze is signed by Shazi *naqqash* — the "designer" or "painter." Shazi was an East Iranian artist from Herat whose oeuvre, including this pen case and inkwell, I published in the 1978 volume of Studia Iranica. The small set was made en suite with a larger inkwell and pen case in the Freer Gallery of Art inscribed to the Grand Vizier of Khorasan in 607, or the Christian 1210-11. It is a "state inkwell" as these are called in Persian. The cardinal importance of Khosrovani's piece sent it soaring to £34,500, six times the high estimate.

Hours later, interest switched to Bonhams, a small auction house that proved size does not precondition brilliant scores. The group of 16 Turkish ceramics once in the collection of the late Sir Alan Barlow, who donated them to the Savile Club 44 years ago, could not have done much better.

Diddi Malek, the director of the Islamic department, who managed to win the sale in the face of fierce competition from Sotheby's, went all out. She got Geza Fehervari, who had published the collection in book form in 1973, to write a preface for the catalogue and give a lecture at Bonhams. She canvassed potential buyers, had the pottery displayed in Paris and Vienna, and even went on Turkish television.

BY April 23, no one in the right quarters of the Middle East or the United States was unaware that some rare specimens of Turkish pottery from an old English collection were up for grabs. The gem in the lot, a blue and white dish decorated at Iznik in the 1560s with a floral pattern, among the most beautiful of its kind anywhere, whizzed to £102,700, courtesy of an "Arab prince from a Gulf state" who would not be otherwise identified. Equally rare but not nearly as subtle, a dish with a formal rosette on brick red ground vastly exceeded expectations at £40,000. A third dish with a design of three tulips inside an escutcheon, not otherwise known on vessels, shot up to £53,200.

That none of this was due to a sudden switch of interest in a given direction was proved in the grand finale of the week on April 25 at Christie's. There a bronze deer of the 10th century from Arab Spain, having little in common with Turkish ceramics or Mogul manuscripts, tripled the wildest figure dreamed up by Christie's expert, William Robinson, as it climbed to £3.63 million. Only one other very similar piece is known — in a Spanish museum. The Christie's piece came out of the blue, apparently from Austria. It must have reached it by the 19th century, judging from its Biedermeyer stand in yellow and ebonized veneer. This was a chance-in-a-lifetime sort of piece. Japan battled with the Gulf, successfully it is believed, not to miss it.

In Hong Kong on Tuesday, a phenomenal 21.47 million Hong Kong dollars ($2.77 million) was paid at Sotheby's by the London dealer Giuseppe Eskenazi for a famous imperial bowl of the Qianlong period (1735-1796), with landscapes painted in pink in panels reserved on a yellow ground that betray the impact of European art recast in Chinese terms. It demonstrates that the trend knows no boundary, aesthetic, geographical or chronological. Once again this was the price of the unique and finely provenanced. No other bowl of this type is known. When it came up in Hong Kong in 1988 as part of the Paul and Helen Bernat collection, its price of 7.7 million Hong Kong dollars amazed dealers. This time, few thought that it could rise to such heights.

Many professionals, without admitting it, are scared. The higher the prices, the riskier the game. Some think it is beginning to feel like spring of 1990, when new buyers were going berserk — a few months before the big crash.

Bonhams

Rare Turkish pottery brought prices of £102,700 for a 16th-century dish, top, and £40,000 in a Bonhams sale.

Jazz Photo as Art Form: Capturing Soul on Film

By Barry Singer

NEW YORK — What does jazz look like? The ecstasy of improvisation. The majesty of virtuosity. The indomitable strength of the blues. The sweetness and the pain of African-American experience. These aspects of jazz are visual as well as aural, what the photographer Roy DeCarava has called "the sound I saw."

In fact, no music has been more adored by the camera. Something about the faces in jazz, and the ephemeral improvised moment, have infatuated photographers for nearly a century now, inspiring viewfinder variations as eloquent as the most transcendent jazz solos.

Factor in shadows, incandescent light and the romantic filtering properties of cigarette smoke. While any music-making may serve as a fine photographic subject, jazz does it best.

The recent publication in Europe of "Jazz Memories," a sumptuous, book-length look at the career of Herman Leonard, underscores this point. One of the few first-generation jazz photographic greats still on the scene, Leonard, 74, represents a vital link to the evolution of jazz photography as an art form all its own.

A crude, pre-1895 snapshot of Buddy Bolden is generally acknowledged to be the first "jazz photograph." The only known picture of Bolden, a shadowy New Orleans jazz pioneer, it captured him, cornet in hand, flanked by five grainy musician peers.

Little more than a curiosity of the ragtime age, this seminal jazz print supersedes sound, for Bolden's playing was never preserved on record. All that history tangibly retains of him is in this picture.

Conversely, the 78 recordings and radio broadcasts that transported jazz beyond its bandstand-confined infancy in the 1920s and early 1930s, did so facelessly. It took a few fans wielding cameras to broadcast photographically the music's vivid physical presence.

There is a stark purity about the best jazz photographs. Consider the picture of Duke Ellington captured at a jam session in August 1939 by Charles Peterson, a New York band musician who took up photography in the '30s and studied at the Clarence White School before pursuing a career shooting jazz professionally, becoming perhaps the first to do so. Ringed by a roomful of notable sidemen, the normally cool and imperious Ellington is here framed dead center, sweat-drenched, at the keyboard.

Change these figures to classical musicians, to rockers, to bluegrass players, and the photograph loses its heated counterpoint — the seemingly effortless glamour of jazz, forged in its harnessing of raw emotion via the spontaneous rigor of improvisation.

Ellington's commanding, sharply focused presence — in front of the blurrier shirt-sleeved intensity of the players — expresses everything one must know about the leadership as well as the grown-up camaraderie necessary to make this music.

William P. Gottlieb/Collection of the Library of Congress

The Gypsy guitarist Django Reinhardt.

Herman Leonard mined another facet of jazz's uniquely photogenic character with his 1948 still-life portrait of the saxophonist Lester Young. Taken at a midtown Manhattan recording studio, the picture offers only Young's saxophone case, sheet music, the porkpie hat that was his signature, a Coke bottle with Young's cigarette, still smoking, balanced on its lip. Prez (as Billie Holiday called him) does not even appear in the frame.

ONE cannot finally comprehend the bond between jazz and photography without looking at Bill Gottlieb. Though entirely self-taught, Gottlieb, who recently celebrated his 80th birthday, made more indelible jazz photographs than anyone else, from Dizzy Gillespie and Ella Fitzgerald to the Gypsy guitarist Django Reinhardt — two studies in jazz rapture.

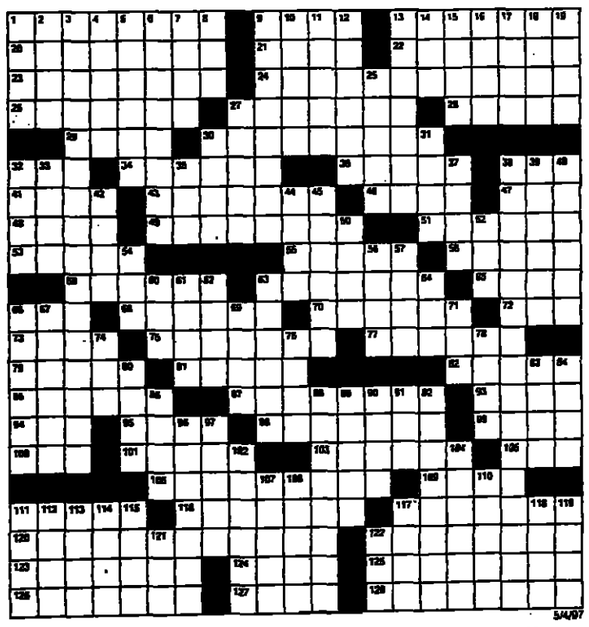
None, however, quite compare with his portrait of Billie Holiday in full cry. It is the quintessence of both Gottlieb's artistry and the unparalleled expressive interdependence of jazz and photography. What he manages to capture here is the essence of jazz — a quality, outside sound, that only a camera can capture. It is the sight of a soul expressing itself.

Barry Singer, the author of "Black and Blue: The Life and Lyrics of Andy Razaf," wrote this for The New York Times.

LOCATION IS EVERYTHING, By Manny Nosowsky

ACROSS
1 Pod used in cooking
9 Fish usually caught in the winter
13 Was upset and then some
20 "Enemies, A Love Story" actress
21 De —— hotel
22 Prismatic, as a stone
23 Stubborn
24 Early comic writer
26 Without means of support?
27 With 30-Across, where to find a snowcap
28 Symphonic poem inventor
29 Big snowfall
30 See 27-Across
32 One way to get things down
34 Like Jack
36 They roll on a Rolls
38 Old White House moniker
41 Flake off
43 Nice 'n Easy maker
46 Northern capital
47 Friend for Rover or Fido
48 Mad as a hornet
49 Lose forward momentum
51 Jack Mercer supplied his voice
53 Kind of personality
55 With 63-Across, pretty good
56 "—— coffee?"
59 African ranger
63 See 55-Across
65 "—— It Kinda Fun" (1945 song)
66 *PBS supplier*
68 Most blue?
70 Gil Blas's creator
72 Emergency room cases, for short
73 "—— joy keep you" (start of a Sandburg poem)
75 See 81-Across
77 Arrive, but just barely
79 Kick up —— (complain)
81 With 75-Across, unmentionables
82 Jack
85 Sharp-toothed creatures
87 Vegan morsels
93 Way up a hill
94 *Prior to*, poetically
95 Warm, so to speak
98 Livestock feed
99 Medley
100 French surname start
101 "I've heard enough!"
103 Some speech sounds
105 Li.'s inferior
106 See 116-Across
109 Lecherlike
111 Drops
116 With 106-Across, phrase said with a sneer
117 Bonelike
120 Revolutionary *turned politico*
122 Thrust forward
123 Noble
124 Düsseldorf donkey
125 Exhaust
126 Is of value, colloquially
127 Name in book publishing since 1943
128 Having no spark left

DOWN
1 Hardly a fop
2 Colo. neighbor
3 See 67-Down
4 Saint in Brazil
5 Had to do with
6 Some bands
7 British isles
8 Tampa-to-Jacksonville dir.
9 Wounds with words
10 Wounds
11 Words to live by
12 Democrat's opponent?
13 *Astaire and Rogers, e.g.*
14 O.K.'d: Abbr.
15 Willy Wonka creator
16 *Jai* ——
17 Platy propellers
18 Don Juan's mother
19 Feeler
25 Onetime Olympics host
27 North of Virginia
30 Book after Amos: Abbr.
31 Pound sound
32 Call to attention
33 Hello, of sorts
35 Year in Edward the Confessor's reign
37 Fire damage
38 See 39-Down
39 With 38-Down, almost positive
40 Puts forth
42 Judge to be
44 King Harald's father
45 Actionable statements
50 Opening for a dermatologist
52 Linguist Mario
54 Classified information?
56 Mantel piece
57 Cousin of "Omigod!"
60 Parenthesis, essentially
61 Oner
62 Many years
63 NATO capital
64 Oriole's origin
66 Allegedly at fault
67 With 3-Down, features of some ads
69 F.C.C. concerns: Abbr.
71 Comics cry
74 Gray of "Gray's Manual of Botany"
76 Jocular suffix
78 "—— each life ..."
80 In —— (harmonious)
83 Puffed up
84 God offended by Daphnis
86 Clothes line
88 Take the grand prize
89 "The Bell Jar" writer
90 Uncomplicated
91 —— Khan
92 Gets rid of, as stock
96 "Who'll volunteer?"
97 It's added to the bill
102 Colored
104 Parlor piece
107 Some Canadian fliers
108 Actor Conrad of old films
110 "If I —— betting man ..."
111 Halls of music
112 Skirt style
113 —— uproar
114 Knight fight
115 Clockmaker Thomas
117 French department or river
118 Out of action
119 Proof of ownership
121 Shepherd's setting
122 Walker, briefly



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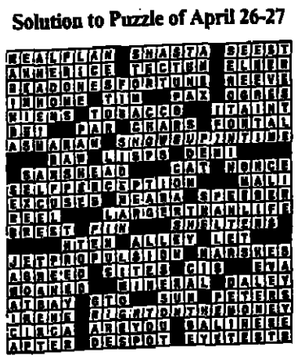
Solution to Puzzle of April 26-27



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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Labour's Landslide

It has been a long time between jubilant pints for British Labourites. When Labour last ruled, Ronald Reagan was not yet president and Michael Jordan was in high school. That was 1979, the year Margaret Thatcher's Conservatives swept into office, presaging Mr. Reagan's victory in America a year later.

Twice more the Iron Lady was unbeatable, and her successor, John Major, scored a fourth straight Tory triumph five years ago. Yet this election season, his party was visibly tired and deeply divided over monetary union with Europe.

So it was no surprise on Thursday that Britons turned to Tony Blair's Labour Party, by landslide margins.

The surprise was that Labour, historically prone to stumbling, turned the tables so effectively on the likable but rattled Mr. Major. Mr. Blair's "New Labour" shed its doctrinaire image and depicted the Conservatives as the party of high taxes and dour ideology, and as the enemy of opportunity — and did so effectively despite sustained growth and prosperity for much of Britain under the Conservatives.

For Americans, this has a familiar ring, and Mr. Blair, at 43 the youngest British prime minister-elect since 1812, is in some respects very like another Oxford man in the White House. A fine debater, exuding energy and charm, the Scottish-born Labourite wore his hair long in the 1970s, married a high-voltage fellow lawyer, Cherie Booth, and moved so nimbly to the middle he earned the nickname "Tony Blur."

Victory won on such cautious terms has its price. If the economy eventually dips, it will probably be on Mr. Blair's watch. Having promised to reduce taxes and advanced so few concrete proposals, the Labourites can hardly claim a mandate for innovative government. By contrast, Britain's useful third party, the Liberal Democrats under Paddy Ashdown, proposed a one percent increase in taxes solely for education, the kind of investment Britain surely needs to remain competitive in a high-tech global economy.

Still, having surprised doubters with his surefootedness as a campaigner, Tony Blair may prove an effective leader in Downing Street. Within his party, he has shown impressive skill in building as well as expressing a fresh consensus. That is precisely the skill he needs if he is to restore hope and a cease-fire in Northern Ireland, realize greater self-rule in Scotland and Wales and, above all, redefine British purposes and interests within a uniting Europe moving toward a single currency.

Mr. Blair starts with a strong hand, including an unequivocal victory fairly won, and the world's friendly curiosity about the appealing new leader in the oldest of elective Parliaments.

— *THE NEW YORK TIMES.*

European Project in Peril as Britain Backs Off

By William Pfaff

LONDON — The balance of political power inside Europe, and in the trans-Atlantic relationship as well, changed this past week, when the British election outcome confirmed Britain's place at the margin of the European Union.

This was demonstrated even though the ostensibly pro-European Labour Party won. The campaign caused both major parties to move much further from Europe than either had been before, evidence that the British are and will undoubtedly remain deeply insular.

Why should they not be? History as well as geography have given them good reasons for insularity. As de Gaulle said, when vetoing Britain's first application to join the Common Market, "What an epoch, when one cannot say, without causing who knows what uproar, that Britain is an island ...!"

A Labour government will deal with Brussels more courteously than the Conservatives have done, but it will not enter a single currency or make any other significant concession of sovereignty to the European Union without a popular referendum. In the present and foreseeable atmosphere of British public opinion, any such referendum would go against Europe.

This changes the game for Paris and Bonn. Their strategies need Britain as a partner inside Europe. Until recently both believed that with a Blair government this would be possible.

The Germans have wanted the British fully inside Europe because this lends plausibility and acceptability to Chancellor Helmut Kohl's project for binding Germany permanently to a supranational European authority — for Germany's own safety and moral tranquillity.

The single currency and European central bank are means to this end. France must be part of this European authority or it simply would be Germany (or the Deutsche mark bloc) writ large, and that would solve nothing for Germany. Britain's participation was needed in order to lighten dependence on France.

France equally has wanted Britain in Europe as a second counterbalance to Germany's economic and political weight, and because London, despite its habitual Atlanticism, is the one other European major power capable of an independent foreign policy. Without Britain fully inside, there are only two major powers in the EU, France and Germany, and in economic and demographic terms Germany is the stronger.

France is stronger politically because there are no inhibitions on its foreign policy possibilities, as there are on Germany's. Americans have always misunderstood France's Gaullist ambitions, putting them down to national egoism or simple anti-Americanism.

French "Gaullism" reflects an analysis which postulates that Europeans should control their own destiny, and argues that in the longer term Europeans *must* do so because the United States either will eventually retreat from Europe in a new fit of isolationism or make demands incompatible with European sovereignty — or do both at the same time. The Europeans must prepare to guarantee their independence.

Germany has been the silent partner in this project. The Germans certainly do not wish to alienate the United States or weaken trans-Atlantic links, but they appreciate the logic of the French analysis. Hence Germany's support to France in developing integrated European military units and in pressing the development of a European "pillar" inside NATO.

Britain's bankers and industrialists, for commercial reasons, and its diplomatic and military professionals are not indifferent to the French analysis either, even though British politicians present themselves to Washington as America's allies inside the EU, working to keep it on the Atlanticist track.

That role no longer is plausible, if Britain excludes itself from the single currency and the new projects for integration coming out of Maastricht treaty reform. With Britain opted out, the other Europeans will do the deciding, and Britain will have to take it or leave it.

This is no help to a Washington that today envisages European integration as merely a step in a larger trans-Atlantic integration led by the United States.

London had a taste of exclusion's implications last week, when the European commissioner for monetary union suggested in Washington that with the arrival of the single currency, the G-7 group of leading industrial nations should become the G-3, representing dollar, yen and euro blocs — leaving out Britain.

France's parliamentary election later this month may also change the European prospect, since President Jacques Chirac explicitly asks for endorsement of the single currency, linking this to an endorsement of his first two years as president. That could be a serious mistake. The campaign is already mobilizing critics of the euro, and of the economic austerity associated with it.

The British vote has clarified the EU's situation without improving it. The outcome of the French election may make things yet more difficult. Then Mr. Kohl proposes to ask for a new term, confronting a German electorate that President Roman Herzog last week described as "dejected" and "depressed" because of the inadequacies of its leadership. That problem is not confined to Germany. The European project is in trouble.

International Herald Tribune.
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North Korea's Famine Is a Product of Its System, Not Nature

By Philip Bowring

SEOUL — To feed or not to feed, that is the question. The famine in parts of North Korea presents the rest of the world, and South Korea and the United States in particular, with one of the foremost moral dilemmas of our time.

This is not a "normal" famine in the sense that it is akin to the African tragedies of the past decade. In those cases, war and a collapse of government, order and communication were as important as crop failure in causing starvation. Indeed, famine in the modern era is usually more the result of a failure in transportation and payment systems than of crops.

So how come the world's most overgoverned society, a semi-industrialized economy in a fairly compact country with multiple land and sea access points is starving?

The answer is very simple: because of a political system similar to that which brought famine to rich parts of China during Mao's Great Leap Forward and to the Soviet Union during Stalin's collectivization campaign. As in those cases, North Korea's famine has resulted primarily because the political leadership has far more important objectives than feeding its own people.

In the Korean case, the first objective is to keep the country as closed as possible, to prevent citizens' being able to compare their fates with those of neighbors in China or South Korea.

Secondly, the scant resources that Pyongyang has available have been devoted not to purchasing grain and fuel for civilians but to keeping a million-man army in ammunition, fuel and other resources needed to offer a credible war threat to the South and the United States.

Indeed, "Dear Leader" Kim Jong Il has washed his hands of the civilian tragedy in order to concentrate on more important matters — party and military affairs. The food shortage may be an embarrassment and an indictment of Pyongyang's feudalism in Leninist clothes. But it also has its uses as a lever, allowing Mr. Kim to move closer to his goal of official U.S. recognition of his regime.

Under the cover of "humanitarian" aid, the United States has its own diplomatic goals, notably to bring Pyongyang into four-party talks — the two Koreas, China and the United States — which might eventually lead to a peace treaty.

The U.S. objectives are not ignoble or entirely calculating. Humanitarian feelings do count. There is also a genuine concern that limited food aid reduces the danger of the North's choosing suicidal war as a means of escape from the realities of failure. Pyongyang has usually shown a tendency to ruthless cunning rather than suicide, but a final throw by the military, still imbued with the destiny of achieving reunification by any means, cannot be completely ruled out.

On the part of the United States and China there is calculation that some aid will prop up the regime and avoid the regional instability inherent in a North Korean collapse. China has short-term fears of a refugee flood, and longer-term ones that a united, non-Socialist Korea might emerge from the failure of China's Communist cousins across the Yalu River.

The South, meanwhile, is torn by its own dilemmas: Detestation of the Pyongyang regime is balanced by a desire to help it change, and thereby avoid a collapse that would place huge burdens on the South. Underlying all is a desire to help fellow Koreans, but no idea how to do it.

Free the peasants from collectivist bondage and thereby prevent more starvation.

Self-interested calculation on all sides is understandable. But it fails to address the moral issue of propping up a regime of this sort, albeit saving some lives in the process and helping avoid the long-term damage of child malnutrition. Although the famine has opened a few cracks in the wall around Mr. Kim's paradise, there is scant sign of any significant change.

There is no easy way out of the aid dilemma, but perhaps the West, Japan and South Korea, and even China, could be as bold as they were in dealing with the Korean nuclear issue. Drop the pretense of giving modest amounts of "humanitarian" aid; set aside diplomatic goals for the time being. Offer aid not in tens of millions of dollars but in hundreds or even billions only in return for specific and sweeping domestic reforms that will open up the nation, free the peasants from collectivist bondage and thereby prevent a repetition of famine.

If the North Koreans were to reject such an offer, they would have only themselves to blame. The Soviets and China may in the past have been responsible for installing and protecting the Kim dynasty. But no one can blame the foreigners now. The North needs to find its own salvation. But large-scale outside help to try to change the North would be better than humanitarian aid based on the false premise that the famine is a product of nature rather than the system.

International Herald Tribune.

Good Riddance

It is hard to think of any single person in the United Nations constellation who has done more harm to the effectiveness and reputation of the world organization than Dr. Hiroshi Nakajima, director-general of the World Health Organization. Over two terms he has brought to this once-proud agency notoriety for bad management, a marked deterioration of its programs and a measure of cronyism and favoritism verging on the corrupt. So it is good news indeed that this unfortunate figure, whose ways and works have long been a scandal in the international public health community, is not going to run for a third term but will step down on schedule next year instead.

The world body has suffered a crisis of public confidence in recent years, and Dr. Nakajima, a pharmacologist first elected in 1988, is one of the proximate causes. He has outraged legions of professionals in almost all of the regions around the world by his intrusive and arbitrary management style and by his inability to focus his organization on what many of its members thought to be the most pressing public health priorities. No less than 58 WHO members voted against his bid for a second term. His performance has made the harshest critics of the UN system look like prophets, and he has seemed to legitimize some part of the UN bashing that has become an unhappy feature of the international scene.

The truly dismal thing about Dr. Nakajima's tenure, however, is not so much the man as his sponsors. He is Japanese, and the Japanese government supported him faithfully, largely, it seems, for reasons of national chauvinism. Others supported him in the spirit of regional logrolling. His provision of contracts to individuals on the WHO executive board, and to institutions of interest to them, may also have made some difference.

In short, what is needed at the WHO goes beyond the elevation of a devoted professional who can rebuild a rotted agency, although that is certainly essential. The member states ought to draw the right lesson from this episode and commit themselves to conduct the oversight that will fence out political considerations compromising the operations of UN bodies. Especially must this be so in agencies like the WHO that are not regularly in the eye of the broader public. In a season of many reforms in the whole UN system, this is what the reform due at the WHO needs to entail.

— *THE WASHINGTON POST.*

Mexico and Drugs

Mexico is rebuilding its corruption-ridden federal anti-drug agency with tighter command and newly screened personnel. That's good if it happens; the government must have an instrument worthy of the task. The announcement no doubt has something to do with warming up the atmosphere for President Bill Clinton's imminent Mexico trip. That's good, too: Americans need to know that Mexicans understand how important it is to the United States to see Mexico stepping up to this issue. In a complex relationship that draws Mexicans and Americans into ever deeper interdependence, drugs have become the most politically urgent item.

Much of the daily frazzle has arisen from Mexican resentment of an American law requiring the president to certify annually that aid recipients are "cooperating fully" against drugs. It is offensively unilateral, and it ignores the 200-dead-cops-a-year pace of Mexico's own anti-drug campaign. Further, it is a test that the United States could not possibly pass itself. The effort alternately to enforce this test for its anti-drug leverage and to evade it in order to maintain overall comity makes for confusion and no little bitterness.

That is the starting point of efforts to find a new formula that will stimulate governments to try harder without also angering them and their publics to the point of leading them to diminish the battle. The best way is to replace the current system of American dictate with, in the hemisphere, a system of joint commitments, standards and measurements. It should happen.

It should happen, however, with everyone understanding that the whole certification row is largely a diversion. If it is done away with, Latin sensibilities will have been stroked, but the hideous drug problem will still be there. It is not just that the more-overrun states will find it hard to substitute self- or group-discipline for the American lash. Look at Mexico right now. It has an upright, virtuous leadership and, by prevailing standards, an advanced society, but it still lacks the institutional building blocks of an honest and apolitical security force, a working criminal justice system and a reasonably secure social safety net. Even the United States, which possesses those things in some abundance, has proven unable to arrest the multi-billion-dollar drug express.

Still, drugs must be fought — for the good of society and the citizenry and to meet the requirements of international civility. This must be done vigorously on both sides of a 2,000-mile border that makes any other course inconceivable. Drugs are but one item on the rich agenda of neighborly cooperation that Bill Clinton takes to, and will find in, Mexico. But drugs are the item whose careful tending will make it possible to deal constructively on all the other items, such as trade, investment and the environment.

— *THE WASHINGTON POST.*

Industry Subsidies Put Under Microscope in Ohio Experiment

By Neal R. Peirce

WASHINGTON — Three cheers for Ohio. In a move no other state has yet had the smarts (or guts) to undertake, Ohio is launching a full-bore study of the subsidies and payoffs its governments give away to lure industries.

For decades, we Americans have heard scary stories of immense sums of our money spent so a state or locality can snare a factory, underwrite an enterprise zone, build an industrial park or finance some private owner's ballpark. The national total, some experts believe, easily tops $5 billion a year.

But the Ohio subsidy study, conceived and now chaired by Charles F. Horn, a Republican state senator, will go a lot further. Mr. Horn says the time has arrived to measure both benefit and cost of government subsidies: What's their net impact on a state's economy and welfare? What is the effect on tax rates, budgets, air and water quality, public safety?

For example: When communities provide tax subsidies to "win" a plant, do the local taxpayers gain or lose financially? How many new jobs are actually added? And who pays for the new roads, sewers, schools for employees' children?

And what if the new industry is lured from another community — often an inner-ring suburb or center city? What about the added costs — for welfare, social service, crime and justice, economic redevelopment — that the losing community incurs, or suddenly begs the state to help pay?

Then there's the land question. Ohio, not untypically among states, lost 10 percent of its farmlands in the '80s. Are state or county programs subsidizing industries to move from multistory buildings in cities already serviced by infrastructure, to build sprawled facilities on prime agricultural land?

One has to ask: Why would any politician in his right mind ask such prickly and challenging questions? America's army of economic developers, on hire to any locality ready to go smokestack chasing for new plants, will be annoyed. Land speculators and big-scale developers — who already have thousands of local councils in their pockets through campaign giving — might try to knock off the questioner in the next election.

The delightful thing about Mr. Horn is that none of these perils frightens him. He already has a long, successful career behind him — in the law, as founder of a high-technology company, as mayor of the town of Kettering and as a veteran of 12 years in the Ohio Senate.

Today, Mr. Horn is America's one-man nerve center on the perils of excessive public subsidies. He has an e-mail network of 1,700 legislators, think tanks, university leaders and technology brokers.

Mr. Horn has had an uphill fight: Not until last year did he finally persuade Ohio to provide significant funding — $500,000 — for the big subsidy study.

"Localities naturally think they have to compete to survive and think the whole state's economy is someone else's business," Mr. Horn says. "I practically get booed off the platform when I talk to county commissioners."

But Mr. Horn believes Ohio, and other states, are ripe for a sea shift on subsidies. The excesses — topped by sports team owners' recent blackmail demands — have begun to arouse the public.

What's more, people are starting to ask about investments needed now for 21st-century survival in the global market.

"We have enormous technological resources in each metropolitan region," Mr. Horn says. "Think of the promising alternative uses of these public funds, the potential new products and economic breakthroughs, if we were to identify and network the technology and science sources of each region, and then get the universities and laboratories and private industries working together."

It's too early to say with confidence, of course, how convincing Mr. Horn's Ohio study will be in proving waste and ill-advisedness in today's industrial subsidy practices.

But you have to hand it to this Ohioan. He's attracting broad attention in his lonely fight against government subsidies to footloose industries. He has a vision of what smart technology-based investment can do to boost the economies of our metropolitan regions. He grasps the perils and opportunities in the global economy. And with the Internet, he's building a remarkable network for radical change.

Washington Post Writers Group.

Put Defense on the Cutting Board

By Barney Frank

WASHINGTON — I was struck earlier this past week by the juxtaposition of two sentences in The Washington Post. Actually, I'm not sure it's a juxtaposition because they occurred on different days. But I read them on the same day, which certainly juxtaposed them in my mind. Juxtaposition or not, though, they form an interesting contrast.

In an editorial on trade, the writer correctly notes that some U.S. workers are hurt by international trade and points out that the way to deal with this in an ideal setting is to provide help to displaced workers, including job training, and also to improve the educational system. I completely agree, and I think our failure to do this adequately is one reason why there is so much opposition to granting the president "fast track" authority to negotiate more trade agreements.

And a major reason why we are not doing that is clear in an article about the weather service, which read in part: "With Congress and the White House seemingly unable to reach an agreement to stop the growth of Social Security, Medicare and other entitlements, budget cutters have little choice but to look deep into nondefense agencies for places to balance the federal budget."

It is true that if you decide to exempt defense from budget cutting, then you have to make severe cuts in nondefense programs, which means that the programs the editorial cites as important for alleviating the unfair effects of trade will be underfunded. Which means that opposition to trade pacts will flourish. And the question is why does the writer — and I do not mean to single him out, because he is representative of virtually everybody writing about the budget these days — act as if the decision to focus on nondefense as opposed to defense is some objective fact over which the budget negotiators have no control?

What these two statements point out is the consequence of the decision to exempt defense spending from cuts. It means that the kind of measures that would alleviate the negative consequences of trade on some people and, therefore, help overcome the opposition to increased trade, will not be adequately funded.

John Kennedy said, when he was starting the Alliance for Progress and referring back to Franklin Roosevelt's good neighbor policy, that FDR "could be a good neighbor abroad because he was a good neighbor at home."

So long as we have the assumption that the defense budget is uncuttable and therefore we make all the cuts in the nondefense part of the budget, we will not be a good neighbor at home, and this will very much interfere with our ability to be a good neighbor abroad. This is one reason a majority of the House Democratic Caucus signed my letter to the president objecting to a budget deal that exempts defense from the budget reductions needed to eliminate the deficit.

The writer, a Democratic representative from Massachusetts, contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Zola Attacked

MONTREAL — The academician M. Brunetière confirmed his critique of M. Zola, which is as follows: "I cannot protest too strongly against the picture of French society given in the novels of Zola. His dominant quality is force, vigor and imagination but it must be added that never was any observer less accurate, less conscientious, less true. We have faults in France, but we have not this sustained grossness, this absolute lack of morality, this perfect cynicism which Zola depicts. His French people are caricatures, pessimistic and calumnious caricatures."

1922: Holy Beverages

WASHINGTON — The alcoholic content of a beverage makes no difference. If it is used for sacramental purposes, it is sacramental wine, under a decision handed down in the district Supreme court. The case was that of a wholesale liquor dealer of Scranton, Pa., who had his permit to withdraw kosher brandy for use in Jewish ceremonies revoked after the prohibition office found the brandy had more of a kick in it than ordinary sacramental wine.

1947: Italian Fistfight

ROME — Leftist and Rightist Deputies staged a ten-minute fistfight in the worst disorder Italy's year-old democratic Parliament has had. The fight was provoked by an attack on the Sicilian leftist May Day celebration, in which seven were killed and thirty-five wounded. The excited Deputies exchanged shouted charges that both Leftists and Rightists are inviting civil war in Italy. The clash began after Rightists accused the Leftists of being "delinquents who belonged in jail."

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'Heir' Quits
Lazard, Gets
Seed Money
Son-in-Law of Chief
Strikes Out on His Own

ECONOMIC SCENE
Are China Ref

CURRENC
Cross Rates
Major Dollar Values
Forward Rates

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
R SATURDAY-SUNDAY, MAY 3-4, 1997

'Heir' Quits Lazard, Gets Seed Money

Son-in-Law of Chief Strikes Out on His Own

Bloomberg News

PARIS — Two subsidiaries of Lazard Freres & Co. said Friday they would underwrite half of a new venture led by Edouard Stern, who left the investment bank's board this week after years of being viewed as its likely future chief.

The subsidiaries, Eurafrance and Gaz & Eaux, said they would invest $300 million in Mr. Stern's company and that a group of investors led by Mr. Stern would invest another $300 million.

The departure of Mr. Stern, who had been considered the heir to Lazard's chairman, Michel David-Weill, his father-in-law, is raising questions about the future of the firm. It leaves Mr. David-Weill, 64, with no obvious successor.

Lazard's top investment banker, the mergers and acquisitions specialist Felix Rohatyn, was named by President Bill Clinton last month as his first choice to become U.S. ambassador to France.

According to published reports, Mr. David-Weill has been seeking to fill the gap. He was said to have recently proposed a merger with Wasserstein Perella & Co. to give that company's head, Bruce Wasserstein, a top role at Lazard.

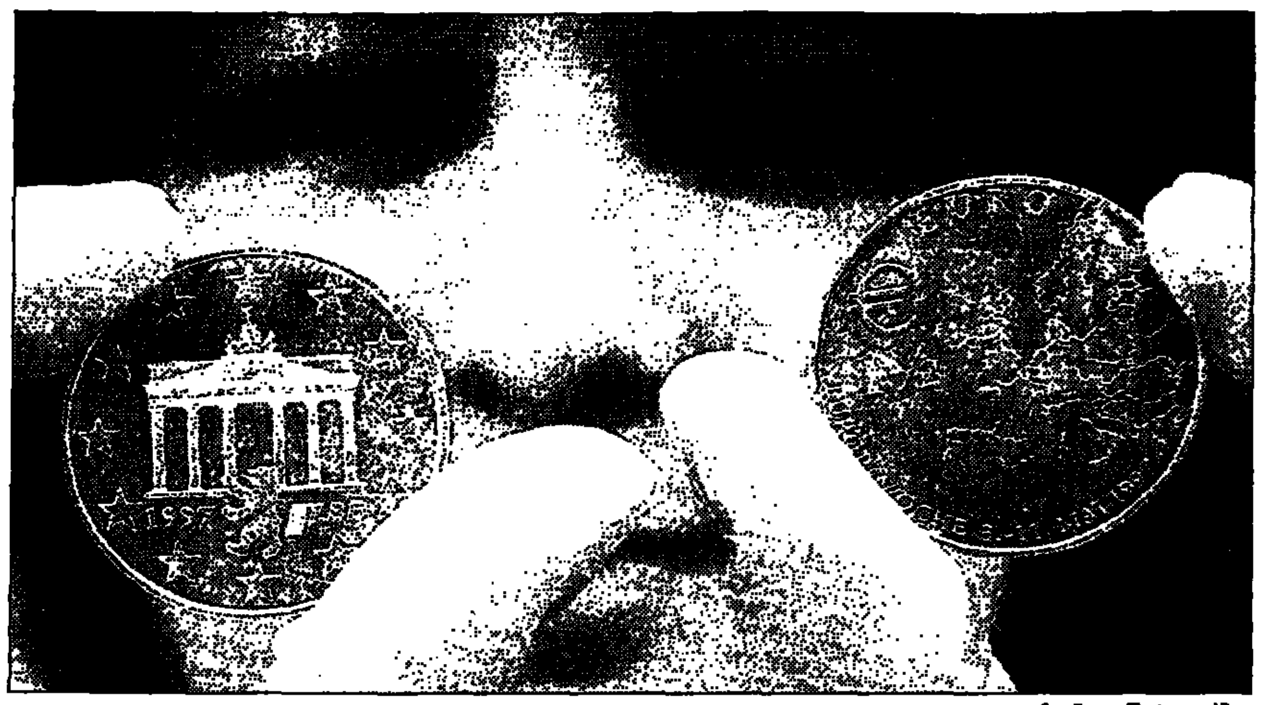
Senior partners at Lazard reportedly resented the prospect of Mr. Wasserstein taking a leading role and blocked the move. Executives at Wasserstein Perella were not available for comment.

Mr. Stern's departure from Lazard Freres had been predicted in the French press for several months, since he reportedly clashed with his father-in-law last autumn.

This year, Mr. David-Weill said he had no immediate plans to step down and that Mr. Stern had not been singled out to take the top job at Lazard.

"What caught me by surprise was the idea, in France, that he was clearly and surely going to be my successor," he said in a published interview. "It shows how royalist the French are at heart."

Mr. David-Weill is considering creating a committee to run the firm, a Lazard partner said in February.



Sven Kaestner/The Associated Press

EURO-TEST — A sales clerk displaying the two faces of a specially minted coin of the euro that is being used in Berlin shops this week as part of an exercise designed to accustom Berliners to the new currency.

Big Fight Over Spain's Small Screen

Parliament's New Law Tilts, Exceptionally, Against Media Giant

By Edmund L. Andrews
New York Times Service

MADRID — Most homes in Spain can receive only about five channels of television, so you might think the government would welcome a new satellite service offering more than 25 channels and pay-per-view movies.

Think again. Two weeks ago — only three months after the debut of a service called Canalsatellite Digital — the Spanish Parliament passed a law that essentially declared the service's transmission technology illegal.

That was merely the latest salvo in one of the nastiest business and political battles over the future of television that Europe has seen. What makes this fight so unusual is that it pits Spain's biggest private media company against the government, bucking the European tradition of cozy relationships between media and governments.

Moreover, at the center of the struggle is a game that is dear to the hearts of 50 million Spaniards, not to mention more than 225 million Spanish-speaking television viewers in Latin America: soccer. Defending one goal is Grupo Prisa, a billion-dollar conglomerate that owns, among other things, the largest newspaper in Spain, El Pais; its biggest commercial-radio network, SER, and a one-quarter stake in Canalsatellite.

At the moment, it controls the rights to televise a host of Spanish professional soccer games, which it plans to use to attract viewers to its new pay-per-view service.

Its opponent on the field is the relatively new center-right government of Jose Maria Aznar. Last November, the government played a key role in organizing a rival consortium in digital television. The group's biggest shareholders are Telefonica, Spain's recently privatized telephone company; Television Espanola, Spain's government-owned television network, and Televisa, the big Mexican broadcaster.

In the past several months, the government has promoted legislation aimed at improving the consortium's chances for success — and diluting those of Grupo Prisa and its partner, Canal Plus, the French pay-television company.

Last summer, Madrid began insisting that all companies offering digital pay-television service use a common platform and compatible technology so that viewers would be able to receive different services with the same set-top box.

But Canal Plus, which already provides a microwave-television service to 1.3 million Spanish households, has started a system that encrypts its signals into digital code. Subscribers — 40,000 have signed up at the equivalent of $20 a month, and 40,000 more are waiting to receive decoders — rent a set-top box that can only be used to receive Canalsatellite programming. Canal Plus uses the same system in France and several other countries where it offers pay-television services.

When Prisa and Canal Plus decided to go ahead on their own, government officials prodded Telefonica and the others to organize the rival consortium.

In a strange-bedfellows alliance between Mr. Aznar's conservative Popular Party and Spain's small Communist

See SPAIN, Page 11

The Financial Markets Salute Blair's Strength

London Stocks Rise After Some Jitters

By Erik Ipsen
International Herald Tribune

LONDON — Financial markets Friday saluted the strong electoral victory that swept the Labour Party to power, as Britain's bankers and business establishment expressed confidence that it heralded a new era of economic stability devoid political party feuding.

The FT-SE index of 100 leading stocks advanced to its second record close in a row. It rose 10.60 points to 4,455.60, reversing an early-morning bout of misgivings that had taken the average down 21 points.

Peter Agar, the deputy director general for the Confederation of British Industry, sees Mr. Blair's strength in Parliament after Thursday's election as a rare opportunity.

"He will be able to think and to act long term, in a way few politicians can or do," Mr. Agar said. High on the confederation's list of long-term issues in need of leadership is Europe, destination for 60 percent of Britain's exports and linchpin of its economic future.

But for the near term, at least, most investors and financial analysts seemed to expect a smooth continuum.

Francis Breedon, a Lehman Brothers economist, likened the change in governments more to a classic Continental transition of power than a British one.

"Nothing has changed much in what needs to be done and what will be done," he said.

What fascinated financiers just as much as the man on the street is just what Prime Minister Tony Blair would do with his mammoth parliamentary majority.

A strong prime minister is widely conceded to be able to do what Mr. Major wanted to do but could not — at least consider joining the new European single currency. Labour, too, has its share of Euro-skeptics, but not nearly enough to dictate policy to the government.

Mr. Blair will at least be able to keep his options open, watching the performance of the single currency and eventually signing on if it looks attractive enough.

Lobbying groups urged clarification of important Labour policies that have until now been left vague.

"The priority now must be to remove the uncertainty surrounding the new government's policies on the single currency, social chapter, minimum wage and the economy," David Richardson, president of the British Chambers of Commerce said.

In the nearer term, analysts and business executives speculated that Mr. Blair's huge majority would allow him to cool off the economy by raising taxes. That speculation was enough to give the pound a bit of a headache Friday. Against the Deutsche mark, it lost 0.8 pfennig to end the day in London at 2.8000 Deutsche marks. And against the U.S. dollar it fell by nearly 0.9 cents to $1.6200 as investors began to have reservations about the speed and extent of expected interest rate hikes.

After years of internal party squabbles, and resulting policy wobbles, the City of London financial district also cheered what promised to be a new era of stability under a Labour government with support to spare in Parliament.

"Such was the dire state of the outgoing administration that anything that we now get would qualify as more stable," said Jeremy Hawkins, senior economic advisor at Bank of America.

There will be some old-school Labour left-wingers taking seats in the new Parliament, but Mr. Breedon of Lehman Brothers said: "Tony Blair won this election for them after 18 years in the wilderness, and they know they have got to listen to what he says."

Economists also cheered the possibility of government's leaning more heavily on fiscal policy. "I think Mr. Blair will be less of a one-club golfer than his predecessor," said James Barty, an economist with Deutsche Morgan Grenfell.

Likely targets include the tax breaks for homeowners on their mortgage taxes and as a host of corporate tax credit programs that might be trimmed or eliminated. Those adjustments to the tax code are far too complex to legislate overnight however.

Given that, most forecasters are betting that the new chancellor of the exchequer will agree to raise interest rates after his monthly monetary policy meeting with the Bank of England.

ECONOMIC SCENE

Are China Returns Worth the Risk?

By Philip Segal
Special to the Herald Tribune

HONG KONG — A market of a billion people or so can do funny things to the laws of economics. Throughout the world, companies investing in unusually risky places expect an unusually high return on investment to compensate for the fact that making money there on a consistent basis is more difficult than elsewhere.

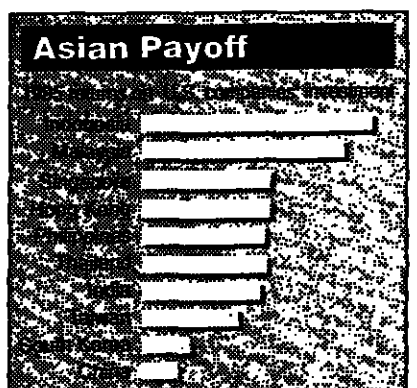
This does not seem to be true, however, when it comes to China. This is one of Asia's riskiest markets, yet it features some of the region's lowest returns on corporate investment, according to figures assembled by the U.S. Commerce Department.

The anecdotal evidence on how hard it is to make money in China has been around for several years now: Companies must contend with thousands of often impenetrable or contradictory regulations, pervasive corruption and crippling restrictions on what they are allowed to do.

Yet companies pour money into China — $42 billion last year alone in the case of American companies — when there would seem to be more profitable uses of capital available elsewhere.

It is not a great achievement to earn less than $5 million a year on a $100 million investment in a risky market, but figures indicate that is the average return for U.S. companies investing in China. A company can earn more from U.S. Treasury bills with less risk, yet China continues to attract investors.

"If you ask any CEO of a Fortune 500 company about priorities in Asia, they're likely to have a similar answer: 'Our No. 1 priority is China. China has over 1 billion people and we need to be there,'" said Jim Hildebrandt, managing director of the Hong Kong office of the consultancy Bain & Co.



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"You make a lot more money in Southeast Asia," Mr. Hildebrandt noted, "but American companies concentrate on China."

The figures breaking down profitability by country bear him out. American companies told the Commerce Department that Indonesia was Asia's most profitable place to do business. From 1991 to 1995, the average annual rate of return on investment in Indonesia was 30 percent, with Malaysia coming second in the region, at 29.8 percent.

China was dead last in the rankings, with an average annual return of 4.7 percent, and there are few signs of improvement. For just 1995, the investment returns for American companies in China showed little change from the five-year average.

Meanwhile, a 1995 survey conducted by the Singapore Regional Managers' Club, a discussion group of senior managers organized by the Economist Intelligence Unit, rated China as the riskiest major market in which to do business. On a scale of 1 to 5, with 1 being "very low" risk, China rated the riskiest, with a 4.1. Indonesia was third-riskiest at 3.2, but it offered the highest returns in the region.

The second-riskiest country, with a 3.4 ranking, was India, which has also produced comparably weak returns of 13 percent over a five-year period. But unlike China, India showed signs of strength in 1995, providing returns of about 20 percent for American investments there.

The hazards of doing business in China are by now legendary. For example, the Swiss multinational cor-

See RISK, Page 13

CURRENCY & INTEREST RATES

Cross Rates

May 2

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9445	3.1405	1.1240	0.3337	0.1137*	—	5.4525*	1.320	1.5543*	1.4065	1.334*
Brussels	35.635	57.365	20.635	6.12	2.0845*	18.342	—	24.2775	0.2811	25.7135	24.53*
Frankfurt	1.7256	2.7900	—	0.2965	0.101*	0.889	4.8482*	1.1744	1.3612*	1.245	1.1857*
London (a)	1.6182	—	2.797	9.4382	2,771.92	3.1463	57.7228	2.3825	205.0826	2.2389	235.9255
Madrid	145.704	53.095	84.360	25.906	8.52*	74.500	4.0830	99.24	114.409*	104.35	—
Milan	1,706.80	2,754.58	980.80	293.38	—	879.38	47.313	1,160.95	13.468	1,230.59	11.736
New York (b)	—	1.622a	1.7295	5.8053	1,712.00	1.945	35.67	1.471	126.985	1.3808	145.45
Paris	5.8133	9.38	3.3718	—	0.3404*	2.9973	0.1634	3.9540	4.5884*	4.2019	3.997*
Tokyo	126.75	205.69	73.61	21.83	0.745	65.44	3.5694	86.22	—	91.40	0.8735
Toronto	1.3821	2.2422	0.7991	0.237	0.0808*	0.7106	0.3875*	0.9387	1.092*	—	0.948*
Zurich	1.4726	2.3792	0.8518	0.2527	0.0861*	0.7572	4.1287*	—	1.1624*	1.0652	1.0095*
1 ECU	1.1351	0.7035	1.957	6.5986	1,938.07	2.2015	40.3034	1.6686	143.781	1.5704	165.886
1 SDR	1.3438	0.8445	2.3534	7.9282	2,329.55	2.6451	48.4763	1.8838	172.793	1.8845	n.q.

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	273.58	Mex. peso	7.943	S. Afr. rand	4.452
Australian $	1.2753	Hong Kong $	7.747	N. Zealand $	1.4486	S. Kor. won	893.00
Austrian sch.	12.111	Hung. forint	182.17	Norw. krone	7.0329	Swed. krona	7.821
Brazil real	1.0636	Indian rupee	35.745	Phil. peso	26.37	Taiwan $	27.64
Chinese yuan	8.3245	Indo. rupiah	2432.04	Polish zloty	3.16	Thai baht	26.13
Czech koruna	30.92	Irish £	0.6695	Port. escudo	173.11	Turkish lira	135065.
Danish krone	6.5475	Israeli shek.	3.4063	Russ ruble	5750.00	UAE dirham	3.6705
Egypt. pound	3.3952	Kuw dinar	0.3045	Saudi riyal	3.75	Venez. boliv.	480.50
Fin. markka	5.1819	Malay. ring.	2.508	Sing. $	1.4462		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6119	1.6111	1.6101	Japanese yen	126.09	125.57	125.00
Canadian dollar	1.3785	1.3755	1.3729	Swiss franc	1.4607	1.4557	1.4508
Deutsche mark	1.7166	1.7128	1.7090				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

May 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 3/4	2 15/16 - 3 1/16	1 5/16 - 1 7/16	6 3/16 - 6 5/16	3 3/16 - 3 5/16	7/16 - 9/16	4 1/16 - 4 1/8
3-month	5 11/16 - 5 13/16	3 1/8 - 3 1/4	1 1/8 - 1 1/4	6 7/16 - 6 9/16	3 5/16 - 3 7/16	7/16 - 9/16	4 1/8 - 4 1/4
6-month	5 7/8 - 5 15/16	3 1/16 - 3 5/16	1 1/4 - 1 5/16	6 1/2 - 6 5/8	3 1/4 - 3 1/2	1/2 - 5/8	4 3/16 - 4 1/4
1-year	6 1/16 - 6 1/4	3 1/16 - 3 7/16	1 7/16 - 1 13/16	6 15/16 - 7 1/16	3 7/16 - 3 9/16	11/16 - 13/16	4 1/4 - 4 3/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 7/16	5 1/4
90-day CDs dealers	5.75	5.72
180-day CP dealers	5.68	5.69
3 month Treasury bill	5.09	5.10
1-year Treasury bill	5.56	5.56
2-year Treasury bill	6.26	6.26
5-year Treasury note	6.54	6.56
7-year Treasury note	6.60	6.61
10-year Treasury note	6.68	6.69
30-year Treasury bond	6.90	6.93
Merrill Lynch 30-day RA	4.96	4.96
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.46
1-month interbank	0.53	0.56
3-month interbank	0.53	0.58
6-month interbank	0.61	0.64
10-year Gov't bond	2.53	2.50
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.05
1-month interbank	3.20	3.22
3-month interbank	3.23	3.24
6-month interbank	3.25	3.25
10-year Bund	5.75	5.83

Britain		
Bank base rate	6.00	6.00
Call money	6.00	6 1/4
1-month interbank	6 5/16	6 1/4
3-month interbank	6 1/2	6 1/2
6-month interbank	6 9/16	6 5/8
10-year Gilt	7.39	7.43
France		
Intervention rate	3.10	3.10
Call money	3 1/8	3 3/16
1-month interbank	3 3/16	3 1/4
3-month interbank	3 5/16	3 3/8
6-month interbank	3 7/16	3 1/2
10-year OAT	5.60	5.76

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	340.40	340.00	N.A.
London	339.80	339.65	+0.40
New York	341.70	341.60	+0.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June.)
Source: Reuters.

Play GERMAN LOTTO for your Chance to Win MILLIONS

GERMAN LOTTO

US$3.2 BILLION

(That's 3.9 Billion DM in Hard German Currency)

● LOTTO is the No. 1 Game in Germany, and one of the largest Lotteries in the world paying out nearly US$3 Billion this year. It's controlled and administered by the Government of the Federal Republic of Germany.

● You now have a chance to win one of the MULTI-MILLION DOLLAR CASH PRIZES paid out every week in hard German Deutschemarks.

● You can live anywhere in the world to enter. You don't have to be a German citizen anymore to play German LOTTO.

● This year nearly US$3 Billion Dollars (in German Deutschemarks) will be paid to those who pick out the winning numbers correctly in any one of the 3 Draws every week.

● With just a small investment you too can become an Instant Millionaire. All you have to do is select 6 NUMBERS correctly, playing from One to Ten Games.

This year, at least 364 new people will become Instant Millionaires through winning GERMAN LOTTO. *Many thousands of others* will win prizes of 500,000 DM and more.

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Play for 18 weeks and get an extra 2 weeks play COMPLETELY FREE for each GAME you play. Play for 36 weeks, and you get an extra 5 weeks COMPLETELY FREE.

Jackpots of US$20 Million Extra

Remember, every week (on Wednesdays and Saturdays) a prize pool of over US$57,000,000 is paid out in cash. If no one wins the First Prize, the full amount is carried forward to the next Draw so you get a chance to win as much as an extra US$20,000,000 from the Jackpot payment.

When you tick the Automatic Renewal box below and charge your credit card, you'll be sure not to miss out on any large Draws or Jackpots.

How You Know When You've Won.

When your Entry Form is received, you'll be rushed an ENTRY CONFIRMATION CERTIFICATE confirming the numbers *you've selected, the number of GAMES you'll* play, the period of your subscription and the date of your first Draw. Your numbers will be entered in 3 LOTTO DRAWS per week.

Hotline Tells You How You're Doing

Every 5 weeks you'll be sent a list of Winning Numbers. (If you can't wait to know, ring the Hotline Number you'll be sent). You'll be notified when you win, and asked to state how you want your winnings paid and where. Every 5 weeks you'll receive a SUBSCRIPTION RESULTS STATEMENT showing exactly how you're doing.

FREE Chances to Win an Extra DM 25,000

For every US$100 you invest in German Lotto, you get 5 Government "INSTANT SCRATCH" Tickets FREE. For every US$200 you invest, you get 10 "INSTANT SCRATCH" Tickets FREE - and so on. Each Ticket can win you a cash prize of up to DM25,000. You simply scratch where indicated - for many chances to WIN INSTANTLY.

Here's Exactly How to Play German Lotto:

Take a pen and mark 6 numbers with a cross (X) out of 49 numbers on each GAME you wish to play. The GAMES are shown below on the ENTRY FORM, and you can play up to 10 GAMES at once. Tick one of the boxes at bottom left indicating the number of GAMES you want to play.

The more GAMES you play - the greater your chances of winning. When the numbers you've selected match the winning numbers in any one Draw YOU BECOME AN INSTANT MILLIONAIRE.

If you have 3,4 or 5 of the winning numbers correct, you win one of **thousands of other cash prizes.**

Just complete the Entry Form below in full and return it to the International Subscription Processing Centre by FAX or MAIL as follows:

OVERSEAS SUBSCRIBER AGENTS
International Subscription Processing Centre Nieuwezijds Voorburgwal 86
1012 SE Amsterdam, Netherlands
For Fastest Entry: Fax (31) 20-6383171
E-mail: rda@irf.pfi.net

MONEY BACK GUARANTEE: If for any reason you're not completely satisfied with the service, you're free to cancel your subscription at any time and receive a full refund on the unexpired portion.

To participate in GERMAN LOTTO, please complete this ENTRY FORM in full:

ENTRY FORM 6/49

Select and mark a cross ✖ on 6 numbers for each GAME you wish to play. Play up to 10 Games at the same time

MAIL TO: OVERSEAS SUBSCRIBER AGENTS, International Subscription Processing Centre, Nieuwezijds Voorburgwal 86, 1012 SE Amsterdam, Netherlands

FAX DIRECT: (31) 20-6383171
E-mail: rda@irf.pfi.net

GAME 1 / GAME 2 / GAME 3 / GAME 4 / GAME 5 / GAME 6 / GAME 7 / GAME 8 / GAME 9 / GAME 10 (each):

1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	

No. of Games: Please mark Box for Number of Games and Play Period	27 DRAWS 9 weeks	60 DRAWS 18 weeks	123 DRAWS 36 weeks
One Game	☐ US$ 65	☐ US$ 130	☐ US$ 260
Two Games	☐ US$ 130	☐ US$ 260	☐ US$ 520
Four Games	☐ US$ 260	☐ US$ 520	☐ US$ 1040
Six Games	☐ US$ 390	☐ US$ 780	☐ US$ 1560
Eight Games	☐ US$ 520	☐ US$ 1040	☐ US$ 2080
Ten Games	☐ US$ 650	☐ US$ 1300	☐ US$ 2600
Entry Costs shown in US$. Extra Free Draws are added automatically to your Subscription >		2 weeks FREE DRAWS added	5 weeks FREE DRAWS added

Automatic Renewal: Charge my Credit card to continue my subscription till further notice, so I won't miss out on a single draw. INITIAL HERE

Overseas Subscriber Agents is a Lottery Service Company independent of Government. All entries are processed through Agents licensed by the Government authorities.

Valid only where legal. Residents of Germany should not use this Entry Form

YES: I'd like to play GERMAN LOTTO. I've selected 6 numbers above for each Game I wish to play and ticked a box at left showing the period of my subscription. Rush me my ENTRY CONFIRMATION CERTIFICATE showing the date of my first Draw. HT035

☐ Please charge my credit card for US$ ____
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Card No. ____
Signature ____ Expiry date ____
☐ I enclose cheque/bank draft for ____ payable to "OVERSEAS SUBSCRIBER AGENTS". Major currency cheques accepted for the equivalent amount.
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THE AMERICAS

Investor's America

The Dow | 30-Year T-Bond Yield | Dollar in Deutsche marks | Dollar in Yen

Exchange	Index	Friday 4PM	Prev. Close	% Change
NYSE	The Dow	7071.20	6976.48	+1.36
NYSE	S&P 500	812.51	798.53	+1.81
NYSE	S&P 100	794.82	780.86	+1.86
NYSE	Composite	422.04	415.58	+1.80
U.S.	Nasdaq Composite	1305.33	[illegible]	+2.68
AMEX	Market Value	565.24	558.42	+1.24
Toronto	TSE Index	6097.09	5997.70	+1.66
São Paulo	Bovespa	[illegible]	[illegible]	[illegible]
Mexico City	Bolsa	3745.47	3756.61	-0.30
Buenos Aires	Merval	732.59	722.59	+1.38
Santiago	IPSA General	5952.06	5930.46	+0.41
Caracas	Capital General	N.A.	6896.10	-

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Labor Strife to Cut Into Auto Sales

DETROIT (NYT) — General Motors Corp. and Chrysler Corp. face a further sales slowdown in May because of continued labor unrest, analysts said after both U.S. automakers reported a drop in car and truck sales last month.

Japanese automakers, meanwhile, reported strong sales for April as they continued to benefit from favorable exchange rates.

GM, the largest U.S. automaker, said its sales dropped 5.2 percent last month from a year earlier, while Chrysler said its sales fell 11.5 percent. By contrast, the six Japanese automakers reporting April sales Thursday saw their sales rise a combined 5.3 percent.

- **Boeing Co.** has been accused by the Justice Department of knowingly allowing defective parts to be installed in hundreds of Chinook military helicopters — two of which crashed, causing two minor injuries. The crashes occurred in Saudi Arabia in 1991 during the Gulf War and at Fort Meade, Maryland, in 1993. Boeing denied the allegations.
- **World coffee markets,** stirred by supply concerns, soared 16 percent this week, led by U.S. futures prices for arabica beans. Analysts said the gains could be sustained ahead of the Brazilian frost season, which begins in June.
- **General Motors Corp.** slashed the price of its EV1 electric car by 25 percent, citing poor demand. The EV1's lease rate will be reduced by more than $100 a month, from $530 to $399, GM said. The automaker also will invest money for 50 additional charging stations for the electric-powered car.
- **Loral Space & Communications Ltd.** had a first-quarter loss of $406,000, reflecting costs of developing satellite-based communications systems.
- **Caterpillar Inc.** and the United Auto Workers said they had agreed to meet with federal mediators in hope of resolving a contract dispute.

AP, Reuters, Bloomberg

Why Does College Cost So Much?

The Fight for Talented Students Drives Tuition, an Expert Says

By Peter Passell
New York Times Service

NEW YORK — It is the season for choosing colleges and, by tradition, time to lament the astounding cost of the United States' elite private institutions. Astounding is no exaggeration: Tuition at elite Ivy League schools and their competitors has increased fivefold in two decades, nearly double the rate of inflation.

The most common explanation is that brand-name colleges are isolated from market forces that would keep the price of a university diploma within reach of middle-income Americans.

But Gordon Winston, co-director of the Williams College Project on the Economics of Higher Education, offers a different perspective.

The scarcest resource at the high end of higher education, he argues, is talented students, not money; and the competition for these students dramatically favors schools that already enroll the best and brightest, creating an unbridgeable quality gap between the typical college and what he calls "the snooties."

Colleges cannot be analyzed like ordinary businesses, Mr. Winston argues, because they do not seek profits. And a good thing, too: In 1990-91 the average four-year private college or university spent $10,600 a student and got back just $3,400 in tuition and fees.

The top is a 'winner take all' market.

Williams charged $11,500 for services that cost $40,000 to deliver; so, although money does matter, colleges obviously have something else in mind. One goal is attracting better students. Well-known schools with hefty endowments offer the prestige, superior education and amenities that the "customers" crave, generating long lines for admission.

But unlike profit-seeking businesses, colleges do not take excess demand as a signal to expand. Expansion, after all, would leave less subsidy available per student, undermining the institutions' efforts to attract the very best.

The excess demand, reflected in rates of rejection as high as 88 percent at Harvard, feeds on itself. For starters, it validates perceptions that the colleges are the best, the way lines outside restaurants reassure first-time patrons that they have chosen wisely.

More important, Mr. Winston says, good students are a key part of education, creating an environment for learning that has as much to do with the results as the teaching. This means a college that can choose from a huge pool can sustain quality without outspending less prestigious institutions.

In short, he is convinced that the top tier of higher education is what some analysts call a "winner take all" market — a few dozen colleges and universities will increasingly distance themselves from the rest, and it will become more and more difficult to get into top-ranked schools, private or public.

Head of News Corp.'s U.S. Deal Resigns

By Geraldine Fabrikant
New York Times Service

NEW YORK — The executive who led the troubled attempt by Rupert Murdoch's News Corp. to start a U.S. satellite service that could deliver both local and national television programming has resigned.

The departure late Thursday of the executive, Preston Padden, came four days after the unraveling of a $1 billion deal between News Corp., which is controlled by Rupert Murdoch, and EchoStar Communications Corp. The deal would have created a service, called Sky, which could offer 500 channels, including local broadcast stations.

News Corp.'s American depositary shares closed at $18.50, down 12.5 cents, in New York trading.

Mr. Padden issued a statement in which he said that he would "spend a period of time considering career alternatives." He could not be reached for comment.

[John Mansell, an analyst with Paul Kagan Associates Inc., told The Associated Press that Mr. Padden's exit could improve chances of getting the deal back on track.

["Padden and Ergen didn't get along well," he said. "Padden's leaving maybe helps move the merger forward. I'm not convinced the merger is off."]

But John Leichtman, an analyst with Yankee Group, a media consulting firm in Boston, said Mr. Padden's departure "looks like another nail in the coffin of the venture."

JOBS: *U.S. Unemployment Below 5%*

Continued from Page 1

ward Yardeni, chief economist at Deutsche Morgan Grenfell. "We have accepted that the world has changed since the end of the Cold War, we have accepted that there is more competition, we have accepted that no politician can protect our companies from competition, we have accepted that no politician can protect our jobs."

In fact, he said, it was fear of job loss that paradoxically resulted in the low unemployment rate. "The reason we have so many jobs is that we have so much job insecurity. Our employers can fire us whenever they like, which means they have more incentive to hire." Mr. Yardeni said he had just returned from a trip to Europe, where institutional investors failed to understand the flexible nature of the U.S. economy and thus have missed out on the strength in the stock market of recent years.

Although this spring saw a sharp correction that brought the Dow Jones industrial average nearly 10 percent below its record high, set earlier this year, the blue-chip average has since regained most of its losses. On Friday, the Nasdaq composite index, which reflects shares in companies that are generally smaller and more involved in technology industries than the Dow issues, turned positive for the year after lagging the recovery in the blue chips. Mr. Yardeni said improvements in technology were a driving force behind the noninflationary U.S. growth.

Not all economists were as bullish. Ken Mayland, chief economist of KeyCorp, the Cleveland-based banking company, said that even accounting for unmeasured productivity increases, the employment statistics released on Friday indicated an economy that was growing at a 3 percent annual rate or faster, far above the 2.25 percent rate that the Federal Reserve Board has identified as the likely maximum for noninflationary expansion.

The Fed's concern is that high employment rates will force companies to raise wages to attract workers, kindling an inflationary boom that would be followed by a recession.

Mr. Mayland said the central bankers would "focus like a laser beam" on the 4.9 percent unemployment rate. "There is no question that they think this number is beyond full employment and they are likely to engineer policy in response to this number."

Mr. Yardeni agreed with Mr. Mayland's view — widely held on Wall Street — that the central bank's Federal Open Market Committee was likely to raise its target for the federal funds rate on overnight bank loans to 5.75 percent from 5.50 percent at its meeting on May 20. But analysts said the central bank might stay its hand beyond that.

The jobs report confused some traders because it contained a downward revision of jobs created in March. The number was first reported as 175,000 but changed to 139,000 on Friday. The similar pace of 142,000 for April, lower than had been expected on Wall Street, was considered a sustainable rate of job creation by analysts.

U.S. STOCKS

As inflation fears receded, the yield on the 30-year Treasury bond fell to 6.88 percent on Friday from 6.93 percent on Thursday. The yield had been above 7 percent for about a month, reflecting concern about inflation and the Fed's policy on short-term rates. Bond prices, which rise as yields fall, also benefited from the prospects for a balanced-budget agreement between the White House and Republicans in Congress.

On the New York Stock Exchange, the Dow industrials closed 94.72 points higher, or 1.4 percent, at 7,071.20, while the Standard & Poor's 500-stock index gained 14.44 points, or 1.8 percent, to 812.97. The Nasdaq Composite gauge, meanwhile, was up 34.8 points, or 2.7 percent, at 1,305.33, as many technology issues rose.

Cisco Systems, the networking company, was the most active Nasdaq issue, rising 3⅞ to 57¼ on the view that its coming earnings statement would be satisfactory. Other networking companies, including 3Com and its takeover target U.S. Robotics, also rose. Intel and Dell also were active and higher, although Microsoft was lower.

Tosco, a petroleum refiner and marketer that owns the Circle K convenience stores was the most active New York Stock Exchange issue, rising 1½ to 30⅛ after it sold shares on Thursday. The company recently acquired the West Coast refining and marketing assets of Unocal.

Dollar Rises After Jobs Report Eases Inflation Worries

Bloomberg News

NEW YORK — The dollar rose against other major currencies Friday after the April jobs report showed a growing U.S. economy with subdued inflation.

The pound was slightly lower against the dollar, initially pulled down by the Labour Party's election victory, although it found some support on expectations that Britain will raise interest rates.

The dollar was at 126.595 yen in 4 P.M. trading, up from 126.550 yen the day before, and at 1.7295 Deutsche marks, up from 1.7225 DM. The U.S. currency also rose to 1.4710 Swiss francs from 1.4695 francs and to 5.8353 French francs, up from 5.8071 francs. The pound declined to $1.6220 from $1.6227.

FOREIGN EXCHANGE

The dollar rose against the mark and other currencies after the government said the U.S. jobless rate had fallen to its lowest level in almost a quarter-century, though the economy added fewer jobs than expected.

"The economy is growing, but inflation is very low," said Robert Sabia, a trader at ING Barings Capital Markets. "That's a textbook definition for a strong currency."

Traders said the initial sell-off of the pound was a reaction to the first Labour government in 18 years.

The pound bounced back as traders focused on Britain's booming economy and the prospect of higher interest rates, which make sterling deposits and bonds more attractive.

"When the dust settles, sterling should be strong," said John Beerling, chief currency trader at Norwest Bank in Minneapolis. "There may be reason to expect higher U.K. interest rates, and the U.K. is one of the two economies that look the strongest in the world."

Traders, meanwhile, were awaiting next week's meeting between Bank of England Governor Eddie George and the new government's chancellor of the Exchequer.

AMEX

Friday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AM Intl	184	3⅝	3½	3⅝	+⅛
AMC	774	19⅝	18¾	19⅛	—
ARC	483	3¼	3⅛	3⅛	-⅛
AVIC Gp n	197	4⅛	3 15/16	4	-1/16
Acadiana n	137	18¼	18	18	—
AckGrp s	138	11½	10¼	11½	+1⅛
AcmeU	97	5⅝	5½	5⅝	+⅛
AdvMed	155	3⅞	3¾	3⅞	+⅛
AirWat	234	4⅝	4½	4⅝	+⅛
Alcow	94	2 11/16	2½	2 11/16	+3/16
Alarmg wt	348	⅜	¼	⅜	—
AHungen	374	14	13¾	13⅞	+⅛
AlldRsh	1039	8⅝	8⅜	8½	+⅝
AltJwg n	173	16½	16⅛	16½	—
Amdhl	3554	9 5/16	9	9¼	+¼
AExpl	186	11⅞	11⅝	11⅝	—
AIM 84	286	3⅞	3⅞	3⅞	-⅛
AIM 85	353	15½	15	15⅛	—
Am List	372	23½	23⅛	23½	+⅜
ATechC	178	9⅞	9¼	9⅞	+½
Ampex	4525	6⅞	5 15/16	6⅞	+⅞
Andrea	300	11½	11	11½	—
AshlMng	1857	21¾	21½	21⅝	-⅛
AltTele	122	11⅛	10¾	11⅛	+1
Audvox	736	5⅝	5¼	5 7/16	+⅛
AuroEl	141	1 9/16	1 7/16	1 9/16	+⅛
Autotote	204	1⅞	1⅝	1⅞	+1/16
Azco	163	1⅛	1⅛	1⅛	—
BAT Ind	1168	17⅞	17 5/16	17 7/16	-⅛
Baker	187	6⅜	6¼	6⅜	+⅛
Bally s	132	14⅛	14	14⅛	-⅛
Banstr g	278	11¼	10⅞	11	-⅛
BarrLb	504	50¼	48	50¼	+2⅝
Bayou	758	2 9/16	2⅜	2½	+⅛
BSJpn wt	95	⅝	⅝	⅝	—
BemaGold	2807	6⅞	6 9/16	6⅝	-⅛
BioR A s	337	25⅜	24⅛	25¼	+1⅛
BRB109	111	11¼	11⅛	11¼	—
BlairCp	220	15⅞	15	15⅞	+⅞
BlondT	145	7⅜	7⅛	7⅜	+⅛
Bogen wt	106	15/16	⅞	⅞	-1/16
Bowne	788	26⅝	26⅜	26⅝	+⅛
Brandyw s	2583	18⅝	18⅛	18⅛	-⅛
BrillDig n	196	5	4 13/16	5	—
CET EnvS	209	4 9/16	4⅜	4 9/16	-1/16
CIM	154	7⅞	7 13/16	7⅞	+1/16
Cablvsn	523	32⅛	31¼	32⅛	+⅞
Cambior	131	12⅝	12⅛	12⅝	+⅛
CMarc g	136	13⅞	13⅛	13⅞	+⅜
CdnOc g s	1602	20	19⅜	20	+⅜
CanyonRs	381	2⅝	2 9/16	2 9/16	—
Carmik n	189	19⅝	19½	19⅝	+⅛
CastlAM s	187	17⅞	17⅜	17⅞	+⅛
CFCda g	290	4⅝	4½	4⅝	-⅛
CentSe	192	25⅞	24⅞	25	+½
ChadThr	381	7⅝	7	7⅝	+⅝
ecChesBio	98	5	4 13/16	4 13/16	-1/16
Chief	380	20½	20⅛	20½	+⅛
CoastD	222	3⅝	3	3⅝	-⅛
Cognitro	578	6⅝	6⅜	6 9/16	—
ColLb	2155	15⅝	14⅞	15½	+⅝
Comforce	655	6¼	5⅞	6¼	+¼
CmclAst	197	6½	6⅜	6½	—
CmdrAp n	904	8⅛	7⅝	7⅞	+¼
CmdrA wt	406	2⅞	2½	2⅞	+⅜
CompTch	154	8⅜	8¼	8⅜	-⅛
Compltk	98	5 9/16	5⅜	5 9/16	+⅛
Cnsphc	167	1⅛	1 1/16	1⅛	—
Cross	426	10⅝	9⅝	10⅜	+1⅛
Cubic s	136	23⅛	21⅞	23	+1⅛
CybexInt	382	9⅛	8⅞	9⅛	+⅛
Cycomm	154	2⅞	2⅝	2⅞	—
DI Ind	3118	2⅜	2⅜	2 7/16	+⅛
ecDalG	225	1⅜	1¼	1⅜	+⅛
DataHd	375	6⅞	6½	6⅞	+⅜
Deltona	338	1 9/16	1½	1 9/16	+⅛
DaytonMn	689	4 9/16	4⅜	4½	—
DeWolfe	104	5⅝	4⅞	5⅛	+⅛
DenAmer	176	2⅝	2⅜	2⅝	—
DevnE	545	35	33¾	34⅝	+1⅛
DigRCT	179	15/16	⅞	15/16	—
DigPwr	165	8⅛	8	8⅛	+⅛
Diodes	189	9⅝	9¼	9⅝	—
DryfMu	180	10⅛	10	10⅛	+⅛
EZEM B	151	8⅛	7⅞	8⅛	+⅛
EchoBay	4572	5½	5⅜	5⅜	-⅛
Edisto	149	9⅝	9½	9½	+⅛
Edlsk	1370	½	7/16	½	—
EIPasoE	1071	6⅝	6 7/16	6⅝	-⅛
EmtrR	478	¾	⅝	¾	+1/16
EmpCar	1257	1 1/16	1	1 1/16	-1/16
EnzoBI	1101	15	14⅜	14⅞	+½
Equisure n	756	11⅜	10⅞	11⅛	+⅛
Fabinds	1709	30¾	30½	30⅝	—
FamTel s	171	2⅝	2⅜	2⅝	—
FemHlth	122	1 9/16	1 7/16	1 9/16	—
FlbrdI	224	37⅛	36⅞	37⅛	+½
FinFdl	172	18⅛	17⅞	18⅛	+1
FAust	889	8⅝	8 7/16	8⅝	+⅛
FAusPr	1819	9⅜	9	9 5/16	—
Fibermk	494	11⅞	11¼	11⅞	+⅛
FstNatA n	128	14⅛	14⅛	14⅛	+⅜
FlaRck	259	32⅛	31½	32⅛	+1⅛
ForstLb	1577	35⅛	34⅛	35⅛	+⅞
FortPet	138	2	2	2	—
FrnkSel	329	6	5⅞	6	+⅛
FreqEl	259	10⅛	9⅞	9⅞	-⅛
Friedm	95	14⅝	14⅛	14⅝	+⅛
GA Fncl	302	15⅜	15¼	15⅜	—
GST Tele	279	6 9/16	6½	6 9/16	-⅛
GamoG	128	4⅝	4½	4⅝	+⅛
Geron	157	19⅝	18⅝	19⅝	+1⅛
GayCn	2210	5⅝	5 7/16	5⅝	+⅛
Gencor	273	21⅜	20	21⅜	—
GnAuto	433	1 9/16	1⅞	1 9/16	+1/16
GenKinsf	140	¾	⅝	¾	—
GenvDr	188	14½	13⅞	14⅛	+⅛
GetchGld	336	37⅜	37⅛	37⅜	+½
GiantFd	2920	37⅜	37	37¼	+½
Gisth	503	16½	15⅞	16½	+⅜
Globlnk	297	3⅞	3⅝	3⅞	—
GoVideo	95	1⅛	1	1⅛	+1/16
GldStarR	728	7⅝	7½	7⅝	—
GMFld	280	⅝	⅝	⅝	-1/16
GolfTrst n	135	26⅝	25½	26	+½
GoranRup	143	17⅝	16⅞	17⅝	+⅜
GrnbdL	1146	3 9/16	3 7/16	3½	—
HallEP	135	8	7⅝	8	-⅛
Halsey	197	4⅛	4⅛	4⅛	—
HallwdM n	1419	19⅜	18⅞	19	-⅛
HanovDr	1743	8⅞	7⅞	7⅞	+1/16
HanvDir	2667	¾	11/16	¾	+1/16
Hana wtB	674	1/32	1/32	1/32	—
Harken	3537	4⅜	4⅛	4 5/16	—
Harold	1447	9⅝	9	9½	+½
Hasbro s	2803	25	24⅝	24⅞	-⅛
HawAir	253	3 1/16	3	3	-⅛
Heico	1136	1 9/16	1⅜	1 9/16	+1/16
HomeVil n	169	18	17¾	17⅞	—
HoopH	122	18	17⅝	18	+⅜
HorzEn	279	6 9/16	6⅜	6⅜	+⅜
IGI	264	5⅝	[illegible]	[illegible]	—
Ifenfib	1362	[illegible]	[illegible]	[illegible]	[illegible]
ImpCMg	881	25⅜	24⅝	[illegible]	[illegible]
ImpOil g	339	46⅞	45⅞	46¼	+⅜
IncOAI	285	11½	11⅜	11⅛	+⅛
Instron	170	12⅛	11 15/16	12⅛	+½
IntegTc n	172	1⅛	1	1⅛	+⅛
IntegTc wt	1000	⅛	⅛	⅛	+1/16
InterDig	974	4⅝	4½	4⅝	+⅛
Intmagn	339	9⅝	9⅜	9½	+⅛
IntThrgh	187	5	4⅞	4⅞	+⅛
IntPoly s	183	19⅛	18⅛	18½	-1
IonLaser	155	7⅝	6⅞	7⅝	+9/16
IvaxCp	3862	7⅞	7⅝	7 11/16	+⅛
JTS Corp	1107	1 9/16	1½	1½	—
JanBell	387	2⅜	2⅜	2⅜	—
KFX Inc	149	3 9/16	3⅜	3 9/16	+⅛
Keane s	3192	49⅞	47¼	49⅞	+2
KeyEng	862	13⅝	13	13⅝	+⅝
Kinark	112	3⅝	3⅛	3⅝	—
KogrEq	4099	15⅞	15⅛	15⅜	+⅛
LXRBiol	425	2	1⅞	2	—
LaBarg	790	6 9/16	6⅜	6½	-⅛
Lancer s	114	20	19⅝	20	+⅛
LazKap	195	13⅞	13⅛	13⅞	+⅛
LeloSTC wt	175	9⅜	9	9⅜	+⅛
LfRVers	97	14⅛	14	14⅛	+½
MAI Sys	285	5⅝	5	5⅛	-⅛
MagnHunt	146	5¼	5⅛	5⅛	-⅛
MaxxmP wt	101	2	1 15/16	2	—
Maxxam	275	43⅝	43	43⅝	+½
MeasSpcl	181	4⅝	4½	4½	+⅛
MedcR	210	8⅛	7⅞	8⅛	+⅛
Medfic	657	30⅞	29⅞	30½	+½
MediaLog	538	2⅝	2½	2⅝	-⅛
Medlq	247	7 9/16	7	7 9/16	+9/16
ML RusWwt	100	3 9/16	3 7/16	3 9/16	+3/16
MetPro s	149	12⅞	12⅛	12⅞	+½
Metromda	4617	9⅝	9 5/16	9⅝	+¼
MidAtRty	93	11⅛	11	11⅛	—
MoogA	183	23⅜	23	23⅜	+1
MMed	191	10	9⅞	10	—
MSNik 97wt	925	4⅛	3⅞	4	+⅛
MovieStr	187	½	½	½	—
Mowin	96	8⅝	8½	8⅝	—
MuniMtg n	188	16½	16⅛	16¼	—
Nasnet	333	9⅝	9⅝	9 9/16	—
Myersind	152	17⅝	17½	17⅝	+⅛
NTNCom	761	2⅝	2⅜	2⅝	-⅛
NVR	277	13⅛	12⅞	13⅛	+⅛
Nabors	5332	18⅞	17⅝	18¾	-⅛
Natick	334	1⅛	1	1	-⅛
NatBev s	113	11	10½	10⅞	+⅛
NtPatnt	126	6 9/16	6⅜	6 9/16	+⅛
Netsmrt n	242	7⅛	6½	6⅞	-⅛
NY Times	1798	43⅞	43½	43⅞	+½
Nestor s	115	14⅛	14	14⅛	—
NA Vacc	3013	19⅛	17	17⅛	-1⅝
Nstor n	603	2	1 15/16	1 15/16	—
Nuwac	309	4⅝	4½	4⅝	—
OmniMult	528	1⅛	1	1⅛	+1/16
Oncor	495	3⅞	3⅝	3⅝	-⅛
Organgn	1191	21⅞	21	21½	+½
PC Quote	127	1 9/16	1⅜	1 9/16	+1/16
PGECap pf	367	24⅝	24½	24⅝	—
PLC Sys	2165	16⅛	14½	16⅛	+1½
PMC	538	13⅞	12⅞	13⅞	+⅜
PMC CT	129	17	16⅞	16⅞	-⅛
PanAmC n	335	8⅛	7⅞	8⅛	+½
PaxsnC	3168	10⅛	9⅝	9⅞	—
PegGld	1527	6⅞	6½	6⅝	-⅛
PenRE	147	22⅞	22⅝	22⅞	+⅛
PerlnC	336	7⅛	7	7	-⅛
PhnMet	304	2⅞	2⅝	2⅞	+⅛
Phonetel	133	2 9/16	2⅜	2 9/16	+1/16
PicoPd	117	1½	1⅛	1½	+⅛
PitlRsc	146	13⅜	13⅛	13⅜	+⅛
PhyR B	163	4⅝	4⅛	4⅝	+⅛
Polyvisn	106	⅝	⅝	⅝	-1/16
PradLg	988	15	14½	15	+⅜
PrcCm	73	9⅝	8⅞	9⅝	+⅛
Pricell s	306	7⅞	7⅝	7⅞	—
ProActv n	161	⅞	13/16	⅞	+1/16
PrepCT s	146	5⅝	5½	5⅝	—
PsycCp	317	7⅞	7⅝	7⅞	+⅛
PubCA	266	15¼	15	15⅛	+⅛
QC Opt n	102	2⅞	2⅝	2⅞	—
RF Pow	269	3⅝	3	3⅝	+⅛
RaoGold	97	⅞	13/16	⅞	—
RLiasing	324	21⅞	19⅝	21½	+2⅛
RegalBel	677	24⅝	23⅞	24⅛	+⅛
Richart gn	113	3⅞	3⅜	3⅜	-⅛
Riser	1049	37⅞	34⅞	37⅞	+3⅛
Riviera n	120	14⅛	13⅝	13⅝	-⅛
Rogers	194	32⅞	29⅞	32⅛	+2⅞
RoyalO g	2413	2 9/16	2 7/16	2½	—
SC Bcp	325	12	11⅞	12	—
SaboPd s	871	16⅛	15⅜	16⅛	+⅝
SFeGam	321	1 1/16	1	1	-1/16
Selfcare n	858	9	8⅝	9	-1/16
Servico	1130	14½	13⅞	14½	+⅛
ShefldMd	217	2⅝	2 9/16	2⅝	+1/16
ecSoftpn	190	½	½	½	—
SCEd pfD	201	16⅞	16⅝	16⅞	+⅛
SpatialT s	213	2⅝	2⅝	2⅝	+⅛
SPDR	14151	81 45/64	80⅞	81⅝	+1⅛
SP Mid	888	51 45/64	[illegible]	[illegible]	[illegible]
StevldA	384	⅝	½	⅝	—
StryCmp	128	12⅞	12	12⅞	+⅝
SulatAms	730	1 1/16	1	1 1/16	+1/16
Sulcus	184	1 9/16	1½	1½	-⅛
SupSrg	3013	11⅛	11	11⅛	+⅛
TabPrd	199	9⅞	9⅝	9⅝	+⅛
TejasP	197	17⅝	17⅛	17⅝	+⅜
TelDta	482	27⅝	27⅜	27⅜	+⅛
Tenera	120	15/16	⅞	15/16	-1/16
ThermF	102	17⅞	17⅛	17⅞	+⅛
TexBiotch	285	4 7/16	4	4 7/16	-⅛
ThmDel n	682	12⅞	10⅛	12⅞	+2⅛
Thermed	475	17⅞	16⅞	17⅞	+⅛
ThCar s	795	27⅝	25⅜	26⅝	-⅛
ThmEcq s	234	14⅝	14⅛	14⅝	+⅜
ThmFb s	125	10⅛	9⅞	10⅛	+⅛
Thrmtrx	397	32⅛	31⅛	32	+⅞
ThrVoll s	113	8⅛	8⅛	8⅛	—
Thrmdtc	2988	10	9⅞	9 15/16	-1/16
Thmsw	113	14	13⅝	14	+⅜
Thrmlx	292	19⅛	18⅞	19⅛	+⅛
Tofutti	140	⅜	⅜	⅜	—
TopSrce	858	2⅜	2	2⅜	+⅛
Total	151	1⅜	1	1⅛	-⅛
TotlPet	446	9⅝	9⅜	9⅝	—
TWA	5222	7½	7¼	7⅜	+⅛
TubMex	633	16⅛	16⅛	16⅛	+½
UTI Eng	222	28⅜	27⅞	28⅛	+1
Unilab	1279	1 1/16	1	1 1/16	+1/16
Unimar	943	5⅝	4 15/16	5 1/16	+⅛
UnigNbl	677	5½	4⅞	5	+9/16
USBiosc	4504	9⅞	8⅞	9⅜	+⅛
US Cell	136	25⅛	24⅞	25⅛	+⅛
VicSeS	161	11	10⅞	10⅞	-⅛
Viacom	1216	28⅜	27⅛	28⅜	+⅝
ViacB	11494	29½	28	29⅞	+⅞
Viac wtE	818	1 9/16	1⅜	1⅜	+⅛
VistaG g	1603	1⅛	1 1/16	1⅛	—
Vitronic	323	1	⅞	15/16	—
VoyNJ2	111	12⅜	12⅛	12⅜	-⅛
WRIT	331	18⅝	18⅝	18⅝	-⅛
WelGrd	117	3⅝	3½	3⅝	—
WeaudBr	295	1 1/16	1	1	-1/16
WRET	166	12⅝	12⅛	12⅝	—
WinstnT s	462	9 9/16	9 5/16	9 9/16	+1/16
WEBAstr	136	10⅜	10¼	10⅜	—
WEBCan	132	12⅝	12½	12⅝	+⅛
WEB Jpn	639	12⅞	12⅛	12⅞	+⅛
WEB Mex	200	12⅛	12⅛	12⅛	—
WEB Swz	187	13½	13⅜	13⅜	-⅛
XCL Ltd	1937	⅝	⅝	⅝	—
Xytron	258	1 1/16	1	1 1/16	+1/16

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6981.30	7077.62	6976.86	7071.20	+94.72
Trans	2548.49	2607.37	2543.87	2605.83	+61.65
Util	216.18	220.86	216.39	220.72	+4.26
Comp	2180.00	2216.84	2178.26	2216.01	+37.68

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	944.03	932.38	938.77	953.78
Transp.	586.91	574.35	579.33	593.64
Utilities	186.45	185.07	186.32	187.57
Finance	91.19	90.05	90.55	92.83
SP 500	802.95	793.21	798.53	812.51
SP 100	786.29	776.07	781.06	794.82

NYSE

	High	Low	Last	Chg.
Composite	423.09	415.70	422.97	+7.26
Industrials	533.55	524.74	533.43	+8.67
Transp.	387.00	377.74	386.68	+8.94
Utility	264.58	260.59	264.55	+3.93
Finance	389.13	380.52	388.69	+8.17

Nasdaq

	High	Low	Last	Chg.
Composite	1305.38	1275.51	1305.37	+34.87
Industrials	1033.68	1007.36	1033.68	+28.16
Banks	1409.00	1387.47	1408.89	+23.62
Insurance	1449.15	1430.65	1446.93	+15.13
Finance	1719.94	1690.08	1718.41	+29.43
Transp.	870.37	854.73	869.38	+13.90

AMEX

High	Low	Last	Chg.
568.50	558.38	568.50	+10.00

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	101.75	101.96
10 Utilities	98.48	98.76
10 Industrials	105.03	105.16

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
PhilMor s	63827	39⅞	38⅝	39⅝	+⅛
Texaco s	61242	30⅛	28⅞	30⅛	+1⅛
GlobM	54914	19¾	17⅝	18¾	-⅝
AT&T s	50193	34⅝	33⅞	33⅞	-⅛
LSI Log	46121	42½	39⅝	41¾	+1⅝
PepsiCo s	46032	35⅝	34⅝	35½	+⅞
Compaq	45422	91⅝	88⅝	91⅛	+3⅛
EDS	44979	37⅛	35	37	+2
PharUpJ	44293	29⅞	28	29⅛	-⅛
NobleDr	43828	17¼	15⅝	16⅝	+⅝
MicronT	42827	39⅝	37⅛	38⅝	+1⅛
OpSem	42227	15⅝	14⅛	15⅛	+⅛
DBeaz rt	37331	⅛	⅛	⅛	+1/16
Exxon s	36691	56⅝	54⅜	56⅛	+1½
Motorola	34556	60⅞	57⅝	60¾	+3⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Cisco	236302	57½	55½	57¼	+3¾
PeteMart s	187350	12¼	11	12⅛	-⅜
Microsft s	115613	123⅞	118 15/16	120⅛	-¾
3Com	112341	34⅞	31¾	34¼	+3⅛
PairTch s	93554	22⅝	20⅝	20⅞	-1⅛
Intel	89078	157⅞	154	157½	+3⅜
Ascend	86330	50	47½	49⅞	+2⅝
WorldCm s	82626	25¼	24½	25¼	+1⅛
DellCpt s	71112	92	86⅞	91⅜	+5⅝
Oracle	69577	42⅛	40⅝	42⅛	+2½
ApldMat	54140	58⅛	54⅝	57¾	+3
Quantum	53367	45⅝	43	45⅞	+3⅜
CascCm	52780	34⅛	32½	33⅞	+1⅞
Informix	43015	7⅞	7⅛	7⅝	+⅛
US Robt s	40988	59¾	54¾	59¾	+5⅛

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	14151	81 45/64	80⅞	81⅞	+1⅜
ViacB	11494	29½	28	29⅞	+⅞
Nabors	5332	18⅞	17⅝	18¾	-⅛
TWA	5222	7½	7¼	7⅜	+⅛
Metromda	4617	9⅝	9⅛	9½	+¼
EchoBay	4572	5½	5⅜	5⅜	-⅛
Ampex	4525	6⅝	5⅞	6⅞	+⅞
USBiosci	4504	9⅞	8⅞	9⅜	-⅛
KogrEq	4099	15⅞	15⅛	15⅜	+⅜
IvaxCp	3862	7⅞	7⅝	7⅝	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	2143	1462
Declined	509	1049
Unchanged	704	822
Total issues	3356	3333
New Highs	191	77
New Lows	15	26

Nasdaq

	Noon	Prev.
Advanced	1993	2215
Declined	1143	1724
Unchanged	2285	1805
Total issues	5421	5744
New Highs	42	70
New Lows	111	123

AMEX

	Close	Prev.
Advanced	399	285
Declined	165	243
Unchanged	170	205
Total issues	734	733
New Highs	19	14
New Lows	15	19

Market Sales

	Today 4:00	Prev. cons.
NYSE	500.80	553.64
Amex	18.29	25.04
Nasdaq	675.40	615.62

in millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Comp Cerv Unid	b	.2157	5-6	5-28
CompTel Chile	b	.1852	5-9	5-22
Solomn Hi Inco	_	.125	5-13	5-30
SPLIT				
AM Intl 1 for 2.5 split.				
Lotshaw Enterpr 20 for 1 split.				
Vectra Banking 3 for 2 split.				
Western Digital 2 for 1 split.				
REVERSE SPLIT				
Countrywd Transp 1 for 5reverse split.				
Krantor Corp 1 for 25reverse split.				
INCREASED				
Allied Cap Corp	Q	.34	6-20	6-30
Barrick Gold	S	.08	5-30	6-16
Cascades Inc g	Q	.10	5-28	6-10
Gt Lakes Chem	Q	.16	7-1	7-29
Marshall Ilsley	Q	.20	5-30	6-13
Merchant Prtv	Q	.045	5-21	5-30
Quixote Corp	S	.13	5-30	7-3
Wstmrk Energy I g	M	.36	5-10	5-20
Wstmrk Energy II	M	.28	5-10	5-20
INITIAL				
AM Intl	_	2.00	5-13	5-27
Controla Com Mex	b	.1384	5-7	
Edper Grp Ltd g	_	.245	7-30	8-31
REGULAR				
ASA Ltd	Q	.30	5-16	5-23
Ambac Inc	Q	.165	5-12	6-4
Belden Inc	Q	.20	5-15	6-2
Crown Am Rlty	Q	.20	5-30	6-13
DuffPhelp Ut Tx	M	.08	5-15	5-30
Emrging Mkt Fl Rt	M	.1325	5-13	5-30
Gibl Prmr Inco	M	.1187	5-13	5-30
Hancock Pat PfDv	M	.096	5-12	5-30
IPL Energy g	Q	.515	5-16	6-1
Interra Fin	Q	.18	5-14	5-28
Jannock Ltd g	Q	.125	6-3	7-1
KansasCity Sthn	Q	.10	5-23	6-17
Lukens Inc	Q	.25	5-12	5-16
Panhandle Royalty	Q	.20	5-9	6-10
Peoples Bk NC	Q	.12	6-2	6-13
Pitt-Des Moines	Q	.275	6-13	6-27
Pittston Brkns	Q	.025	5-15	6-2
Salbro Widwd Inco	M	.1187	5-13	5-30
Superior Surgical	Q	.11	5-12	5-23
Tyson Foods A	Q	.025	9-1	9-15
Valley Forge	Q	.06	6-6	6-17
Vulcan Intl	Q	.20	6-2	6-13
Wolohan Lumber	Q	.07	6-2	7-1
Xtra Corp	Q	.20	5-15	5-29

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

May 2, 1997

Grains

	High	Low	Latest	Chge	Opint
CORN (CBOT) 5,000 bu minimum- cents per bushel					
May 97	300¼	294½	294¾	-3¼	23,130
Jul 97	299	292½	292¾	-4	137,002
Sep 97	283¼	278	278¾	-2½	34,719
Dec 97	280	275	275½	-1¾	107,305
Mar 98	284½	280	280¼	-1¾	10,295
May 98	287	284	284	-2	835
Jul 98	291	287½	287½	-1¾	2,443
Est. sales N.A. Thu's. sales 65,128					
Thu's open int 308,857 off 3567					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
May 97	296.40	289.10	293.80	+3.90	13,708
Jul 97	291.00	283.10	287.60	+3.70	48,093
Aug 97	278.00	272.50	275.00	+1.80	13,938
Sep 97	258.50	255.50	257.20	+1.90	8,125
Oct 97	231.00	228.50	231.00	+1.70	9,472
Dec 97	222.60	219.80	221.80	+1.50	17,476
Est. sales N.A. Thu's. sales 20,559					
Thu's open int 113,694 off 12434593					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
May 97	25.18	24.85	24.97	+0.07	2,975
Jul 97	25.51	25.20	25.31	+0.04	51,925
Aug 97	25.65	25.38	25.39	-0.02	12,372
Sep 97	25.67	25.43	25.43	-0.05	6,913
Oct 97	25.68	25.35	25.39	-0.11	7,059
Dec 97	25.84	25.48	25.55	-0.05	19,069
Est. sales N.A. Thu's. sales 19,257					
Thu's open int 101,332 up 98915					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
May 97	898½	880	887½	+7¼	9,779
Jul 97	896	875	885½	+8½	103,264
Aug 97	867	854	860½	+8¾	17,388
Sep 97	771½	765	766½	+3	7,725
Nov 97	705	694½	701½	+5½	46,212
Est. sales N.A. Thu's. sales 71,011					
Thu's open int 188,988 off 945					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
May 97	412½	406	406¼	-7¼	1,576
Jul 97	426	416	416½	-8½	59,586
Sep 97	431	422	422	-8¾	13,460
Dec 97	442	432½	433	-8½	15,008
Est. sales N.A. Thu's. sales 17,800					
Thu's open int 90,862 up 563					

Livestock

	High	Low	Latest	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Jun 97	65.50	65.15	65.47	+0.25	37,170
Aug 97	65.40	65.10	65.35	+0.15	26,167
Oct 97	69.10	68.75	69.07	+0.12	16,346
Dec 97	70.77	70.50	70.75	+0.22	8,448
Feb 98	71.25	71.07	71.20	+0.17	5,045
Apr 98	73.22	73.00	73.22	+0.22	1,231
Est. sales 9,668 Thu's. sales 17,249					
Thu's open int 94,407 up 1469					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
May 97	74.20	73.30	74.15	+0.40	5,074
Aug 97	76.80	76.05	76.65	+0.17	8,079
Sep 97	76.75	76.05	76.55	+0.07	1,736
Oct 97	77.05	76.50	76.95	+0.05	2,783
Nov 97	78.57	78.05	78.45		1,451
Jan 98	78.80	78.45	78.80	-0.05	337
Est. sales 2,057 Thu's. sales 3,404					
Thu's open int 19,544 up 139					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Jun 97	84.77	83.95	84.00	-0.95	18,659
Jul 97	85.27	84.52	84.80	-0.60	6,468
Aug 97	83.05	82.50	82.60	-0.52	6,032
Oct 97	76.05	75.55	75.62	-0.60	5,189
Dec 97	73.20	72.75	72.85	-0.52	3,217
Est. sales 7,468 Thu's. sales 9,748					
Thu's open int 41,570 up 562					
PORK BELLIES (CMER) 40,000 lbs. - cents per lb.					
May 97	90.00	87.65	87.90	-2.67	1,089
Jul 97	91.10	88.80	88.85	-2.80	6,461
Aug 97	90.25	87.75	87.75	-2.67	1,454
Est. sales 2,989 Thu's. sales 3,187					
Thu's open int 9,333 up 177					

Food

	High	Low	Latest	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
May 97	1375	1368	1368	-12	190
Jul 97	1392	1376	1379	-12	32,125
Sep 97	1420	1405	1407	-10	13,591
Dec 97	1449	1435	1437	-8	18,172
Mar 98	1475	1461	1465	-8	19,092
May 98			1485	-8	8,555
Est. sales 7,388 Thu's. sales 5,037					
Thu's open int 94,707 off 972					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
May 97	254.75	245.00	247.55	-5.20	1,470
Jul 97	225.00	211.50	216.15	-6.75	15,847
Sep 97	200.00	190.00	192.05	-5.85	7,574
Dec 97	177.90	169.40	170.80	-4.60	4,379
Mar 98	162.50	157.50	158.50	-1.90	1,807
Est. sales 9,678 Thu's. sales 12,970					
Thu's open int 31,477 up 152					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Jul 97	10.87	10.65	10.80	+0.10	82,417
Oct 97	10.68	10.55	10.67	+0.07	39,445
Mar 98	10.67	10.55	10.66	+0.06	22,124
May 98	10.63	10.53	10.63	+0.05	5,196
Est. sales 235 Thu's. sales 39,874					
Thu's open int 152,280 off 5285					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
May 97	75.50	73.25	74.50	+1.40	986
Jul 97	77.50	75.75	76.20	+0.50	17,182
Sep 97	80.25	78.60	78.90	+0.40	6,172
Nov 97	82.50	81.45	81.50	+0.50	2,916
Est. sales N.A. Thu's. sales 2,794					
Thu's open int 29,590 up 168					

Metals

	High	Low	Latest	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
May 97			[illegible]	-0.10	2
Jun 97	342.00	340.90	341.60	-0.10	75,603
Jul 97			342.90	-0.10	
Aug 97	344.30	343.50	344.20	-0.10	18,274
Oct 97	346.80	345.80	346.00	-0.10	6,308
Dec 97	349.80	348.80	349.60	-0.10	21,607
Feb 98	352.80	352.30	352.30	-0.10	4,620
Apr 98			354.80	-0.10	3,038
Jun 98	357.50	341.80	357.50	-0.10	6,356
Est. sales 10,000 Thu's. sales 25,434					
Thu's open int 165,601 up 58					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
May 97	111.70	110.00	111.70	+0.80	5,516
Jun 97	110.90	109.50	110.90	+0.35	2,698
Jul 97	110.50	108.85	110.25	+0.40	23,039
Aug 97	108.30	108.00	108.30	+0.35	1,314
Sep 97	106.90	106.00	106.75		5,226
Oct 97	105.50	105.20	105.50	-0.25	852
Nov 97	104.25	103.70	104.25	-0.05	961
Dec 97	103.00	102.60	103.00	-0.20	6,498
Jan 98			101.95	-0.20	497
Est. sales N.A. Thu's. sales 6,612					
Thu's open int 51,025 off 717					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
May 97	472.50	468.50	468.60	-3.80	1,166
Jun 97			470.40	-4.00	2
Jul 97	477.50	472.00	472.80	-4.00	56,358
Sep 97	485.00	477.00	477.70	-4.00	5,354
Dec 97	489.80	484.00	484.90	-4.10	7,211
Jan 98	492.00	487.20	487.20	-4.10	17
Mar 98			492.60	-4.10	6,811
May 98			497.70	-4.10	1,813
Est. sales 15,000 Thu's. sales 19,980					
Thu's open int 82,963 off 2712					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 97	374.00	371.00	371.10	-3.00	12,820
Oct 97	375.00	372.60	372.60	-3.00	2,839
Jan 98			374.80	-3.00	1,188
Est. sales N.A. Thu's. sales 2,338					
Thu's open int 17,007 up 215					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1597.00	1598.00	1597.00	1598.00
Forward	1626.00	1627.00	1626.00	1627.00
Copper Cathodes (High Grade)				
Spot	2440.00	2443.00	2439.00	2442.00
Forward	2367.00	2368.00	2363.00	2364.00
Lead				
Spot	614½	615½	615½	616½
Forward	625.00	626.00	626½	627½
Nickel				
Spot	7295.00	7305.00	7210.00	7220.00
Forward	7405.00	7415.00	7320.00	7330.00
Tin				
Spot	5720.00	5725.00	5660.00	5665.00
Forward	5755.00	5760.00	5700.00	5705.00
Zinc (Special High Grade)				
Spot	1245.00	1246.00	1249.00	1250.00
Forward	1265½	1266½	1271.00	1272.00

Financial

	High	Low	Close	Chge	Opint
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Jun 97	94.70	94.66	94.68	+0.01	6,378
Sep 97	94.52	94.46	94.47	+0.01	3,423
Dec 97			94.48		847
Est. sales N.A. Thu's. sales 866					
Thu's open int 10,001 off 161					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Jun 97	105-30	105-16	105-29	+04	228,974
Sep 97	105-19	105-03	105-09	-02	2,173
Dec 97			105-00		20
Est. sales N.A. Thu's. sales 53,989					
Thu's open int 231,167 off 2888					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Jun 97	107-24	106-31	107-09	+04	309,221
Sep 97	106-26	106-19	106-24	+02	26,680
Dec 97			106-09		1,895
Est. sales N.A. Thu's. sales 97,787					
Thu's open int 337,796 off 6475					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Jun 97	110-10	109-14	109-28	+07	469,893
Sep 97	111-24	109-01	109-16	+08	47,537
Dec 97	109-02	108-24	109-07	+07	8,214
Mar 98			108-17		1,712
Est. sales N.A. Thu's. sales 380,706					
Thu's open int 528,184 up 1019					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Jun97	111-10	110-05	111-04	+0-11	173,592
Sep97	111-03	110-05	111-02	+0-13	2,688
Est. sales: 116,874. Prev. sales: 37,701					
Prev. open int.: 176,280 up 1,379					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Jun97	101.82	101.45	101.55	-0.12	278,594
Sep97	100.61	100.44	100.52	-0.11	23,872
Est. sales: 185,332. Prev. sales: 103,201					
Prev. open int.: 302,466 up 4,267					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Jun 97	129.58	129.32	129.48	+0.52	157,229
Sep 97	127.94	127.80	127.92	+0.50	9,762
Dec 97	97.48	97.48	97.48	+0.52	0
Est. volume: 143,401. Open int.: 166,991 up 4,105.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Jun97	128.40	127.72	127.84	-0.41	111,271
Sep97	128.05	127.98	128.04	-0.45	5,766
Est. sales: 41,681. Prev. sales: 10,925					
Prev. open int.: 117,037 up 303					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Mar 97			92.13		422
May 97	94.18	94.14	94.15		39,833
Jun 97	94.12	94.06	94.07		473,952
Jul 97	94.02	93.99	94.00		7,159
Sep 97	93.97	93.86	93.89		406,381
Dec 97	93.75	93.62	93.68	+0.03	309,346
Mar 98	93.68	93.52	93.58	+0.02	228,313
Jun 98	93.53	93.40	93.46	+0.02	217,090
Sep 98	93.45	93.32	93.37	+0.02	152,616
Dec 98	93.34	93.22	93.26	+0.01	124,851
Mar 99	93.32	93.22	93.26	+0.02	98,394
Jun 99	93.25	93.17	93.22	+0.02	78,431
Est. sales N.A. Thu's. sales 568,107					
Thu's open int 2,564,398 off 19846					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Jun 97	1.6286	1.5986	1.6204		38,082
Sep 97	1.6300	1.6000	1.6160		921
Dec 97	1.6150	1.6050	1.6150		102
Est. sales N.A. Thu's. sales 4,838					
Thu's open int 39,105 off 989					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Jun 97	.7265	.7226	.7259		73,442
Sep 97	.7310	.7285	.7302		5,602
Dec 97	.7341	.7332	.7338		1,294
Est. sales N.A. Thu's. sales 18,140					
Thu's open int 81,270 off 1531					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Jun 97	.5833	.5796	.5801		82,551
Sep 97	.5867	.5837	.5840		3,263
Dec 97	.5910	.5905	.5910		326
Est. sales N.A. Thu's. sales 21,857					
Thu's open int 86,173 up 67					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Jun 97	.7955	.7927	.7949		86,740
Sep 97	.8058	.8040	.8055		1,772
Dec 97	.8170	.8170	.8170		707
Est. sales N.A. Thu's. sales 22,799					
Thu's open int 89,229 up 614					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Jun 97	.6868	.6816	.6827		43,257
Sep 97	.6915	.6887	.6895		2,183
Dec 97	.7000	.7000	.7000		433
Est. sales N.A. Thu's. sales 12,711					
Thu's open int 45,923 off 1478					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Jun97	93.38	93.32	93.35	-0.02	128,141
Sep97	93.16	93.08	93.13	-0.01	92,203
Dec97	93.00	92.88	92.96	Unch.	79,805
Mar98	92.89	92.75	92.85	+0.03	52,274
Jun98	92.79	92.65	92.76	+0.04	41,252
Sep98	92.71	92.58	92.68	+0.04	26,569
Dec98	92.63	92.49	92.60	+0.06	22,794
Est. sales: 114,779. Prev. sales: 56,499					
Prev. open int.: 477,421 off 4,074					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
May97	96.79	96.79	96.80	Unch.	4,498
Jun97	96.78	96.77	96.78	Unch.	233,756
Jul97	N.T.	N.T.	96.76	-0.01	1,422
Sep97	96.74	96.71	96.72	-0.01	209,080
Dec97	96.62	96.58	96.59	-0.02	231,327
Mar98	96.48	96.44	96.45	-0.02	191,918
Jun98	96.31	96.27	96.28	-0.02	145,414
Sep98	96.11	96.07	96.08	-0.02	120,410
Dec98	95.86	95.82	95.83	-0.02	80,353
Est. sales: 96,166. Prev. sales: 82,758					
Prev. open int.: 1,398,022 up 144					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jun 97	96.45	96.40	96.42	+0.00	66,341
Sep 97	96.54	96.50	96.52	+0.02	53,991
Dec 97	96.50	96.46	96.49	+0.02	34,179
Mar 98	96.41	96.38	96.40	+0.02	27,530
Jun 98	96.29	96.27	96.29	+0.02	23,976
Sep 98	96.12	96.10	96.12	+0.03	21,244
Est. volume: 52,778. Open int.: 272,899 off 4,520.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Jun97	93.29	93.21	93.23	-0.02	111,349
Sep97	93.55	93.49	93.51	-0.03	77,053
Dec97	93.67	93.63	93.63	-0.05	51,010
Mar98	93.69	93.65	93.65	-0.06	33,806
Jun98	93.66	93.63	93.62	-0.06	23,399
Est. sales: 36,469. Prev. sales: 12,206					
Prev. open int.: 306,666 off 2,092					

Industrials

	High	Low	Latest	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
May 97	71.00	70.50	70.60	+0.10	155
Jul 97	72.90	72.15	72.40	+0.09	41,414
Oct 97	74.20	73.80	73.93	-0.01	2,448
Dec 97	75.20	74.80	74.93	-0.12	24,058
Mar 98	76.30	75.95	76.15	-0.10	3,168
Est. sales N.A. Thu's. sales 9,916					
Thu's open int 73,529 up 836					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jun 97	54.50	52.70	52.95	-1.38	38,609
Jul 97	54.35	53.00	53.15	-1.11	27,568
Aug 97	54.80	53.60	53.85	-0.81	13,918
Sep 97	55.20	54.40	54.60	-0.71	8,199
Oct 97	55.80	55.15	55.15	-0.81	8,386
Nov 97	56.60	55.85	56.00	-0.61	7,102
Dec 97	57.30	56.50	56.55	-0.66	11,285
Jan 98	57.55	56.95	56.95	-0.61	7,269
Feb 98	57.30	56.60	56.85	-0.36	3,471
Est. sales N.A. Thu's. sales 23,830					
Thu's open int 135,593 up 2641					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jun 97	20.00	19.44	19.54	-0.37	93,310
Jul 97	20.03	19.51	19.65	-0.31	53,368
Aug 97	20.00	19.56	19.64	-0.29	31,397
Sep 97	19.90	19.60	19.63	-0.27	17,136
Oct 97	19.86	19.63	19.66	-0.20	15,710
Nov 97	19.84	19.60	19.62	-0.20	13,847
Dec 97	19.95	19.60	19.65	-0.15	33,270
Jan 98	19.75	19.64	19.64	-0.15	14,363
Feb 98	19.75	19.67	19.67	-0.11	8,003
Mar 98	19.75	19.70	19.70	-0.06	4,328
Est. sales N.A. Thu's. sales 64,246					
Thu's open int 391,430 off 1043					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jun 97	2.285	2.200	2.260		39,933
Jul 97	2.300	2.230	2.275		24,761
Aug 97	2.295	2.235	2.270		16,369
Sep 97	2.275	2.235	2.265		14,179
Oct 97	2.290	2.250	2.280		16,854
Nov 97	2.385	2.345	2.375		7,498
Dec 97	2.495	2.445	2.485		11,004
Jan 98	2.540	2.485	2.530		12,952
Feb 98	2.455	2.420	2.450		7,407
Mar 98	2.340	2.320	2.340		5,344
Est. sales N.A. Thu's. sales 54,148					
Thu's open int 192,978 up 3444					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jun 97	62.75	60.40	60.60	-2.03	49,602
Jul 97	61.35	59.50	59.70	-1.71	16,262
Aug 97	60.10	58.50	58.80	-1.21	6,858
Sep 97	58.60	57.70	57.75	-0.86	3,370
Oct 97	55.90	55.90	55.90	-0.81	2,384
Nov 97	54.95	54.95	54.95	-0.96	1,404
Dec 97	55.70	55.00	55.00	-0.56	3,609
Est. sales N.A. Thu's. sales 19,977					
Thu's open int 86,528 up 2792					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
May 97	170.00	163.25	165.50	-5.50	18,320
Jun 97	169.25	164.00	165.25	-4.75	20,081
Jul 97	169.25	166.00	166.00	-4.25	7,679
Aug 97	170.50	168.00	168.00	-3.50	7,377
Sept 97	172.00	169.75	169.75	-3.00	3,284
Oct 97	173.50	172.50	171.75	-2.50	3,518
Nov 97	175.00	174.00	173.25	-2.25	1,518
Dec 97	175.75	174.00	174.00	-2.25	7,405
Est. sales:15,000. Open int.:73,435 up 1,038					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
June 97	18.39	17.88	17.97	-0.32	51,22[illegible]
July 97	18.46	17.98	18.14	-0.29	60,05[illegible]
Aug 97	18.52	18.18	18.30	-0.21	16,51[illegible]
Sep 97	18.63	18.28	18.42	-0.16	9,36[illegible]
Oct 97	18.60	18.39	18.49	-0.11	6,42[illegible]
Nov97	18.67	18.45	18.54	-0.07	5,36[illegible]
Dec97	18.67	18.50	18.55	-0.06	8,35[illegible]
Jan98	18.59	18.47	18.55	-0.04	7,28[illegible]
Est. sales: 54,000. Open int.:169,862 off 1,318					

Stock Indexes

	High	Low	Latest	Chge	Opint
S&P COMP. INDEX (CMER) 500 x index					
Jun 97	811.40	802.00	810.20	+8.15	180,180
Sep 97	819.00	811.40	818.00	+8.00	6,490
Dec 97	821.50	821.50	821.50	+2.70	3,301
Est. sales N.A. Thu's. sales 80,920					
Thu's open int 190,435 off 1859					
CAC 40 (MATIF) FF200 per index point					
May 97	2650.0	2617.0	2638.0	+16.80	26,791
Jun 97	2621.0	2596.0	2614.0	-9.00	24,188
Sep 97	2640.0	2618.0	2627.5	+15.00	10,328
Est. volume: 13,466. Open int.: 70,838 off 11,533.					
FTSE 100 (LIFFE) £25 per index point					
Jun97	4485.0	4421.0	4458.0	+7.0	60,455
Sep97	4489.0	4489.0	4489.8	+6.0	3,396
Dec97	N.T	N.T	4529.0	+7.0	320
Est. sales: 14,795. Prev. sales: 8,043					
Prev. open int.: 64,171 up 737					

Commodity Indexes

	Close	Previous
Moody's	N.A.	N.A.
Reuters	1,989.50	1,975.10
D.J. Futures	161.01	162.13
CRB	246.63	248.38

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

See our **Education Directory** every Tuesday

Poultry Ban
EU Complain

French Plan
Ad Waiver
for Brewer

WORLD STOCK MARKETS

Friday, May 2

Poultry Ban 'Unfair,' EU Complains to U.S.

Compiled by Our Staff From Dispatches

BRUSSELS — With a new ban in effect on European Union poultry exports to the United States, the EU on Friday criticized a U.S. decision to decertify European poultry processing plants as "unjustified" and "unfair."

The European Commission, the EU's executive body, said in a statement that the U.S. action was "clearly in breach of its World Trade Organization" obligations.

The EU reiterated its threat to file a complaint to the WTO over the poultry ban, which went into effect Thursday. The ban affects about $3 billion in trade.

"We do not rule out the possibility to go to the WTO because we think that such measures on the basis of the announcements would indeed be unjustified," a commission spokesman said.

The EU and United States avoided a full-fledged trade war late Wednesday by concluding an agreement in Washington covering red meat, pet food, eggs and dairy products.

The EU hailed the accord, which it said "will provide a more stable and permanent trade relationship in animals and animal products."

But EU objections to the American practice of decontaminating slaughtered chickens with chlorinated water at the end of processing remained unresolved.

Contending that the chlorine rinse does not provide adequate protection against contamination, the EU blocked about $50 million in American poultry exports to Europe last month. The U.S. counterban would affect about $1 million in EU poultry exports.

Washington said the EU's slaughterhouse practices were inferior to those of the United States. Although the Europeans require strict sanitary measures during processing, they do not use the antibacterial rinse.

"The United States was unable to conclude that the EU system for poultry products provides an equivalent level of protection to that afforded under the current U.S. system," Agriculture Secretary Dan Glickman said.

The United States rebutted EU charges that chlorine decontamination was inadequate.

"The United States believes that it has the safest and most wholesome product in the world," Mr. Glickman said. *(AP, Reuters)*

French Plan Ad Waiver For Brewer

Bloomberg News

PARIS — French officials are preparing a plan to loosen a ban on beer advertising at sporting events so that one of the sponsors of the 1998 Soccer World Cup, Anheuser-Busch Cos., can advertise Budweiser beer.

"The youth and sports minister is working to get around the law to allow Budweiser to display its advertising in stadiums during the World Cup," said the French National Olympic and Sports Committee.

An official for the Sports Ministry confirmed that. The proposal would have to be approved by the French cabinet and then Parliament.

Budweiser is one of the 12 top sponsors of the World Cup, which will be held in France in the summer of 1998. Part of the strategy for its sponsorship is to have its advertising placards appear on worldwide television broadcasts.

But it would not be able to advertise at the games in France because of a law that is aimed at discouraging drunken behavior in sports arenas.

Signs of a Spreading Slump?

French Car Sales Lag

Reuters

PARIS — New-car registrations in France rose to a six-month high last month, the industry announced Friday, but year-on-year figures showed demand still weak several months after the end of a car-buying incentive program.

The French car-industry association CCFA said registrations rose 8.4 percent in April from March, to 164,392, the third consecutive monthly increase. Compared with April 1996, however, registrations were 10.3 percent. The drop showed that the industry, while showing signs of a recovery, was still suffering from the ending of state subsidies for buyers that stimulated sales last year, when auto purchases peaked at a record 234,900 in July.

"After a particularly weak quarter, the results for April, although improving slightly, are still at a very low level," the association stated. In the first four months of this year, French new-car registrations fell 23 percent from a year earlier, to 571,228. Registrations of new cars made by PSA Peugeot Citroen SA rose 12.8 percent in April from March, to 42,896, but were down 19 percent from April 1996. Its domestic market share rose to 28.5 percent from 27.4 percent in March.

PSA Peugeot Citroen, which last month reported a lower-than-expected 1996 net profit of 734 million francs ($126.1 million), down 57 percent from the previous year, is spending more on marketing and advertising to try to improve its market share in Europe. Citroen's sales rose 15 percent in April from March, while Peugeot's sales gained 9.3 percent.

Registrations of new cars made by Renault, meanwhile, rose only 0.3 percent, to 42,569 vehicles, as its domestic market share declined to 25.9 percent in April from 28.0 percent in March. Compared with a year earlier, Renault registrations fell 2.3 percent.

The combined domestic market share of the two French carmakers fell to 54.4 percent last month from 55.4 percent in March and 58.0 percent in February as foreign automakers gained in France, led by Volkswagen AG and Ford Motor Co.

Worried consumers in Europe are showing little appetite for big-ticket items such as autos and computers.

PC Market Turns Sluggish

Reuters

LONDON — Growth in personal-computer sales in Europe lost momentum in the first quarter, held back by stagnant conditions in France and a lackluster reception for the latest Intel Pentium MMX multimedia technology, a survey published Friday said.

The outlook for 1997 looks uncertain, according to Context, a market-research company, with consumers worried about their prospects. Sales are expected to grow at about the same pace as last year.

Compaq Computer Corp. retained its market leadership in the first quarter, with a 14.7 percent share, up from 12.3 percent in the comparable period last year. With 5.7 percent of the market, Dell Computer Corp., a direct seller, jumped three places, to fourth. Siemens-Nixdorf AG recorded a 5.8 percent market share, jumping two places to come in third. Context said personal-computer sales in Western Europe grew 9.9 percent in the first quarter, to 4.34 million units, slowed from a 13.6 percent increase in the like period last year.

The 1996 sales growth of 11.5 percent, moreover, was down from a 25 percent increase in 1995.

"We are saying that growth for 1997 will be between 10 and 12 percent. But if anything, that is a bit optimistic," said Emmanuel Lalloz, senior PC research analyst at Context.

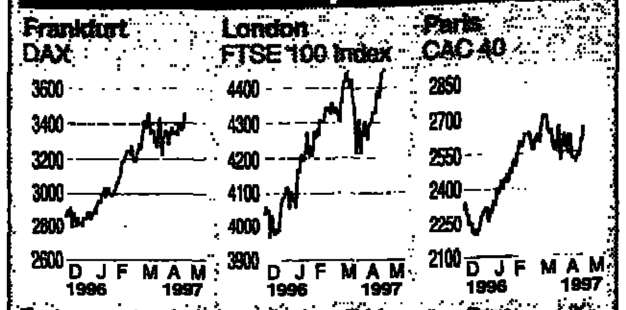
"Consumer markets are slowing down because of the economic recession, and purchasing power is being squeezed by increasing taxes to help governments meet the Maastricht criteria" for a single currency.

Sales in France grew only 0.7 percent in the quarter, to 865,000 units.

In Britain, sales grew 12.2 percent, to 960,000, but that was still less than had been expected. In Germany, sales rose 8.8 percent to just over 1 million.

Mr. Lalloz said sales of Pentium MMX processor-equipped computers had been disappointing and that some customers were holding back purchase decisions to await Intel's Pentium 2, which is to be introduced next week.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	771.57	772.74	-0.15
Brussels	BEL-20	2,253.83	2,245.51	+0.37
Frankfurt	DAX	3,460.37	3,438.07	+0.65
Copenhagen	Stock Market	546.52	545.10	+0.26
Helsinki	HEX General	2,972.49	2,933.76	+1.32
Oslo	OBX	598.54	600.77	-0.37
London	FTSE 100	4,455.60	4,445.80	+0.22
Madrid	Stock Exchange	N.A.	513.35	
Milan	MIBTEL	12354	12277	+0.63
Paris	CAC 40	2,655.31	2,639.46	+0.60
Stockholm	SX 16	2,857.44	2,797.36	+2.15
Vienna	ATX	1,205.71	1,194.23	+0.96
Zurich	SPI	3,127.47	3,094.65	+1.06

Source: Telekurs — International Herald Tribune

Very briefly:

- **Unilever NV's** first-quarter net profit rose a less-than-expected 11 percent, to 898 million guilders ($465.6 million), as provisions for restructuring in Europe and extra marketing expenses in the United States held back earnings growth.
- **Royal KNP BT NV,** the Netherlands' largest paper and packaging company, said first-quarter net profit rose 4 percent, to 52 million guilders, as its Austrian-based papermaking unit KNP Leykam posted a profit.
- **Polygram NV,** the Dutch entertainment conglomerate, created a U.S. film distribution company, Polygram Films, a unit of Polygram Filmed Entertainment, that is expected to put out 10 to 12 major movies a year.
- **Cordiant PLC,** a British advertising and marketing company that is poised to split into three units, named Kevin Roberts as chief executive of its Saatchi & Saatchi Advertising Worldwide agency, effective May 21.
- **Germany's February capital account** was revised to show a surplus of 6.2 billion Deutsche marks ($3.59 billion), compared with a provisional deficit of 3.2 billion DM, the Bundesbank said. In January, the capital account showed a surplus of 2.5 billion DM.
- **Siemens AG** shares capped a week of sharp increases by closing at 94.75 DM, up 0.95, as investors slowly adopted the view that Germany's largest electronics company was heeding calls to cut costs, reorganize and raise earnings.
- **Groupe Bull SA's** shares fell after France sold more than $100 million in stock in the computer company at a discount, nearly halving its stake as part of its program of state-asset sales. Bull shares closed at 47.50 francs ($8.16), down 4.9 percent from 49.95 francs on April 11, when trading was suspended pending the state's sale.
- **Deutsche Post AG,** Germany's postal system, will buy TNT Netzwerk Logistik GmbH, effective July 1. The price was not disclosed.

Bloomberg, AFX, AP, AFP, Reuters

SPAIN: *Big Fight Over Small Screen Pits State Against a Private Media Giant*

Continued from Page 9

Party, Parliament approved a law in mid-April that all but forces Canalsatellite to scrap its decoders and switch to a system championed by Telefonica.

In theory, the new law merely requires all digital television providers to adopt a common transmission system and gives them two months to negotiate an agreement. But in practice, it gives the advantage to the group sponsored by the government, because if the rivals fail to reach agreement, they must adopt the Telefonica system.

Government officials acknowledge they provided the "impulse" for the new consortium, saying their primary goal was to promote competition.

"The goal is to guarantee the greatest possible freedom of choice," said Rafael Arias Salgado, Spain's minister of public works and the architect of the government's communications policy. "The decisions will be in the market and by the consumers."

But Grupo Prisa and its partners loudly complain that the government's actions echo those of Spain's dictatorial past and are a ploy designed to undermine its advantages in being first to the market.

Most important, the government's actions threaten to dilute the value of the Grupo Prisa consortium's rights to broadcast professional soccer games, which are considered critical to the survival of any digital pay-TV system in Europe.

"I don't ever remember an operation against a company like the one against us today, not even in the last days of the Franco regime," Jesus de Polanco, chairman of Grupo Prisa, said.

The stakes are high. Each group plans to invest more than $800 million in offering its service across Spain, where the scarcity of ordinary cable television has created a big opportunity for new satellite services.

WORLD STOCK MARKETS

Friday, May 2
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 771.57 Previous: 772.74

	High	Low	Close	Prev.
ABN-AMRO	136.80	134.60	135.90	136.50
Aegon	139.20	137.10	138.30	138.10
Ahold	137.50	135.30	137	135.90
Akzo Nobel	253.10	251.60	253	253.30
Baan Co.	106.80	102.30	106.20	105.50
Bols Wess cva	38.90	38.40	38.80	38.90
CSM cva	112	112	112.20	111.90
Dordtsche Pet	370	365.10	367.10	370
DSM	197	194.50	196.40	195.60
Elsevier	31.50	30.90	31.30	31.20
Fortis Amev	76.10	74.70	75.40	76
Getronics	63.30	61.50	62.30	61.70
G-Broc cva	66	64.60	65.80	64.80
Hagemeyer	171.40	167.50	171	169
Heineken	334.80	331	332.30	333.60
Hoogovens cva	89.90	88.70	89.60	89.70
Hunt Douglas	168	162.90	167.50	162.90
ING Group	78.20	77.50	78.10	78
KLM	58.20	57.60	58.20	57.90
KNP BT	39.80	39	39.50	38.40
KPN	69.80	68.70	69	69.90
Nedlloyd Gp	45	44.60	45	44.90
Nutricia	294.50	291.50	291.80	294.50
Oce Grinten	239.50	237	238.70	238
Philips Elec	108.70	105.50	108.10	106.30
Polygram	96.90	94.50	96.20	97
Randstad Hdg	180	176	180	175.50
Robeco	164.50	163.90	163.90	163.50
Rodamco	60.80	60.40	60.70	60.50
Rolinco	166.90	166.60	166.90	166.80
Rorento	109.30	109	109	109.20
Royal Dutch	347.70	343.50	344.50	347.50
Unilever cva	381.80	374.50	377.80	381.40
Vendex Intl	95.50	92.30	95.50	92.70
VNU	40.60	39.70	40	40.40
Wolters Kl cva	230	226	226.50	229.90

Bangkok
SET index: 660.10 Previous: 661.29

	High	Low	Close	Prev.
Adv Info Svc	177	173	175	174
Bangkok Bk F	242	238	240	242
Krung Thai Bk	32.75	31.75	31.75	32.50
PTT Explor	322	312	312	314
Siam Cement F	708	700	700	700
Siam Com Bk F	160	156	159	153
Telecomasia	40.50	39.25	39.50	39.50
Thai Airways	39	38	38	38
Thai Farm Bk F	158	156	157	158
Utd Comm	153	147	150	150

Bombay
Sensex 30 index: 3801.71 Previous: 3841.11

	High	Low	Close	Prev.
Bajaj Auto	910	881.25	884.75	911
Hindust Lever	1093	1079	1084	1093
Hindust Petm	421.75	413.25	417.75	417.50
Ind Dev Bk	89.50	88.75	88.75	90
ITC	412.50	403.50	406.25	413.50
Mahanagar Tel	290.50	282.50	283.75	293.50
Reliance Ind	307.50	303	304.50	308
State Bk India	316.50	308.50	309.75	318.25
Steel Authority	21.75	20.75	21.25	21
Tata Eng Loco	399.50	390.25	391.75	403

Brussels
BEL-20 index: 2253.83 Previous: 2245.51

	High	Low	Close	Prev.
Almanij	15250	15000	15200	14700
Barco Ind	6140	6090	6100	6090
BBL	8980	8850	8920	8930
CBR	3570	3520	3565	3510
Colruyt	14775	14600	14700	14800
Delhaize Lion	1810	1790	1790	1795
Electrabel	8160	8120	8140	8120
Electrafina	3560	3540	3550	3530
Fortis AG	6440	6400	6420	6380
Gevaert	2760	2700	2760	2695
GBL	5330	5270	5310	5250
Gen Banque	14950	14775	14825	14825
Kredietbank	14175	13950	14175	13925
Petrofina	12800	12700	12800	12725
Powerfin	5070	5030	5060	5030
Royale Belge	9280	9160	9270	9200
Soc Gen Belg	3240	3180	3215	3180
Solvay	21500	21400	21475	21400
Tractebel	15350	15250	15300	15300
UCB	98100	97600	97650	98100

Copenhagen
Stock index: 546.52 Previous: 545.10

	High	Low	Close	Prev.
BG Bank	294	288	293	290
Carlsberg B	414.10	408	413	409.59
Codan Fors	870	860	865	870
Danisco	391.43	387	390	388
Den Danske Bk	587.59	574	585.50	574.43
D/S Svendbrg B	303000	303000	303000	302302
D/S 1912 B	213000	212000	212000	212000
FLS Ind B	986	979	985	979.02
Kob Lufthavne	681	676	680	665
Nvo Nordisk B	656	650	654.30	655
Sophus Ber B	816	805	814	807.19
Tele Danmk B	326	323	325	323.93
Tryg Baltica	347	344	347	345
Unidanmark A	332	329	331	329

Frankfurt
DAX: 3460.37 Previous: 3438.07

	High	Low	Close	Prev.
AMB B	1310	1310	1310	1370
Adidas	181	179	180	180.50
Allianz Hdg	335.80	333.20	334	336
Altana	1370	1352	1370	1340
Bk Berlin	36.45	36.30	36.45	36.04
BASF	68.10	67.70	68.10	66.80
Bayer Hypo Bk	54.20	53.92	54	54
Bay.Vereinsbank	68.70	68.20	68.70	68
Bayer	67.73	67.25	67.53	68.90
Beiersdorf	87	86	86.10	88.05
Bewag	44.10	43.50	43.80	44
BMW	1461	1449.90	1461	1418
CKAG Colonia	162.80	159	162.50	158
Commerzbank	46.75	46.55	46.65	46.45
Daimler Benz	131.70	129.40	131.70	128.60
Degussa	79	77.50	78.80	76.70
Deutsche Bank	91.70	91.25	91.35	91.40
Deut Telekom	37.50	37.30	37.50	37.58
Dresdner Bank	56.10	55.90	55.98	55.40
Fresenius	379	368	368	363
Fresenius Med	153	152	152	151.70
Fried. Krupp	323	317	323	318.50
Gehe	115	114.50	115	115.20
Heidelbg Zmt	143.50	142	143.50	141.30
Henkel pfd	94.90	94	94.50	94
HEW	495	495	0.00	0.00
Hochtief	69	67.50	68	65.50
Hoechst	67.75	67.05	67.65	68
Karstadt	521	516	516	519
Lahmeyer	72.40	71.50	71.90	70
Linde	1268	1258	1260	1265
Lufthansa	24.60	24.05	24.60	24.15
MAN	501	493.50	495.50	499
Mannesmann	683	679	680	681
Metallgesellschaft	36.30	35.90	36.30	35.80
Metro	168	167.80	167.80	168
Munch Rueck R	4155	4100	4120	4195
Preussag	436.80	434.70	435.50	444.50
RWE	71.45	71.05	71.05	72
SAP pfd	320	315.10	319.50	315.30
Schering	169.80	168.10	169.40	166
SGL Carbon	241.50	240	240	241.50
Siemens	94.90	94.20	94.75	93.80
Springer (Axel)	1460	1460	0.00	0.00
Suedzucker	844.50	839	844.50	838
Thyssen	381.50	380	380.20	377.50
Veba	89.70	89.40	89.40	89.20
VEW	505	501	502	497
Viag	775	770.50	773	770
Volkswagen	1157.50	1146	1157	1101

Helsinki
HEX General index: 2972.49 Previous: 2933.76

	High	Low	Close	Prev.
Enso A	44.50	43	44.50	42.70
Huhtamaki I	225	220	220	225.50
Kemira	49	48.30	49	48.20
Kesko	74	71.60	74	72.40
Merita A	17.30	16.70	17.30	16.90
Metra B	144	142.10	143	142
Metsa-Serla B	39.50	38.50	38.50	39
Neste	131	126	131	126
Nokia A	330.50	326.50	328.50	324.40
Orion-Yhtymae	197	193	197	195.70
Outokumpu A	100	99	99.20	99
UPM-Kymmene	121	119	121	119
Valmet	88	87.70	88	87.90

Hong Kong
Hang Seng: 13081.78 Previous: 13020.78

	High	Low	Close	Prev.
Amoy Props	8.10	7.75	7.90	7.80
Bk East Asia	26.95	26.60	26.65	26.90
Cathay Pacific	11.80	11.70	11.80	11.75
Cheung Kong	71.50	69.25	71	69.50
CK Infrastruct	22	21.80	21.95	21.90
China Light	34.80	34.40	34.50	34.80
Citic Pacific	42.80	42.10	42.30	42.10
Dao Heng Bk	36.90	36.10	36.10	36.90
First Pacific	9.50	9.35	9.40	9.45
Hang Lung Dev	14.65	14.35	14.45	14.35
Hang Seng Bk	88.50	87.75	88.50	88
Henderson Inv	8.80	8.20	8.70	8.10
Henderson Ld	67.75	66.25	67.50	66.25
HK China Gas	12.40	12.25	12.30	12.45
HK Electric	26.90	26.20	26.25	26.60
HK Telecomm	13.40	13.05	13.30	13.40
Hopewell Hdgs	4	3.95	4	4
HSBC Hdgs	198	195.50	197.50	195
Hutchison Wh	59.50	58.50	58.75	58.75
Hysan Dev	22.70	22.40	22.65	22.25
Johnson El Hdg	21.25	20.90	20.98	21
Kerry Props	18.65	18.20	18.35	18
New World Dev	46.60	45.50	45.70	46
Oriental Press	2.90	2.88	2.88	2.90
Pearl Oriental	3.03	2.93	2.95	3.03
SHK Props	88	86	87.25	86.50
Shun Tak Hdgs	5	4.90	5	5.10
Sino Land Co.	8.10	7.80	8	8
Sth China Post	6.78	6.65	6.70	6.70
Swire Pac A	60.25	59.50	59.75	59.50
Wharf Hdgs	29.30	28.75	29.28	29.30
Wheelock	16.60	16.10	16.15	16.25

Jakarta
Composite index: 647.89 Previous: 650.46

	High	Low	Close	Prev.
Astra Intl	5950	5900	5950	5975
Bk Intl Indon	1725	1700	1725	1725
Bk Negara	1525	1425	1450	1500
Gudang Garm	9750	9400	9650	9450
Indocement	3200	3125	3125	3075
Indofood	5150	5100	5125	5175
Indosat	6825	6750	6775	6700
Sampoerna HM	9725	9600	9600	9750
Semen Gresik	6300	5975	5975	6300
Telekomunikasi	3450	3400	3450	3500

Johannesburg
All Market: 7149.83 Previous: 7138.51

	High	Low	Close	Prev.
Amalgamtd Bks	29.45	29.30	29.30	29.30
AngloAm Coal	298	298	299	299
AngloAm-Corp	284.50	283.50	284	284
AngloAm Gold	299	298	298.75	298.75
AngloAm Ind	200	193.50	193.50	193.50
AVMIN	17	16.50	17.10	17.10
Barlow	49	48.75	49	49
C.G. Smith	24.50	25.70	25.70	25.70
De Beers	160	159.75	160	160
Driefontein	37.75	37.40	37.25	37.25
Fst Natl Bk	31.90	31.60	31.90	31.90
Gencor	18.65	18.45	18.70	18.70
GFSA	109	108	110	110
Imperial Hdgs	59.50	58.75	59	59
Ingwe Coal	28.50	28.25	28	28
Iscor	3.12	3.07	3.08	3.08
Johnnies Indl	60.25	59.75	59.75	59.75
Liberty Hdgs	330.50	330	327	327
Liberty Life	125.75	124	124.25	124.25
LibLife Strat	17.10	16.50	16.90	16.90
Minorco	99.75	99.50	100	100
Nampak	19.25	19.10	19.10	19.10
Nedcor	90.25	88	90.50	90.50
Rembrandt Gp	47	46.60	46.80	46.80
Richemont	65.50	64.50	65	65
Rust Platinum	72.50	71.75	71.75	71.75
SA Breweries	132	130.25	131	131
Samancor	46	45.75	45.75	45.75
Sasol	57.75	56.75	57	57
SBIC	205	204.50	204.50	204.50
Tiger Oats	78	77.25	77.75	77.75

Kuala Lumpur
Composite: 1097.96 Previous: 1080.17

	High	Low	Close	Prev.
AMMB Hdgs	16.70	16.20	16.30	16.70
Genting	13.70	13.50	13.70	13.40
Mal Banking	25.75	24.90	25.50	25
Mal Intl Ship F	5.80	5.65	5.75	5.65
Petronas Gas	8.65	8.50	8.60	8.70
Proton	14.90	14.60	14.60	15
Public Bk	4.38	4.16	4.38	4.16
Renong	3.54	3.42	3.50	3.44
Resorts World	9.50	9.10	9.40	9.25
Rothmans PM	24.40	23.20	24.20	23.20
Sime Darby	7.90	7.70	7.90	7.75
Telekom Mal	18	17.50	18	17.60
Tenaga	12	11.60	11.80	11.60
Utd Engineers	18.20	17.80	18	17.80
YTL	10.80	10.20	10.60	10.20

London
FT-SE 100: 4455.60 Previous: 4445.80

	High	Low	Close	Prev.
Abbey Natl	8.48	8.33	8.37	8.44
Allied Domecq	4.33	4.23	4.25	4.33
Anglian Water	6.70	6.48	6.54	6.74
Argos	6.47	6.30	6.36	6.44
Asda Group	1.18	1.15	1.17	1.15
Assoc Br Foods	5.33	5.30	5.31	5.37
BAA	5.20	5	5.10	5.12
Barclays	11.65	11.32	11.43	11.48
Bass	8.19	7.95	8.17	8.01
BAT Ind	5.27	5.11	5.20	5.18
Bank Scotland	3.77	3.62	3.76	3.69
Blue Circle	4.26	4.17	4.26	4.20
BOC Group	9.53	9.40	9.47	9.48
Boots	7.08	6.99	7.04	7.02
BPB Ind	3.39	3.24	3.27	3.36
Brit Aerosp	13.08	12.90	13.02	13.09
Brit Airways	6.99	6.86	6.86	6.99
BG	1.83	1.79	1.81	1.81
Brit Land	5.83	5.75	5.82	5.85
Brit Petm	7.12	7.02	7.02	7.07
BSkyB	5.72	5.59	5.65	5.71
Brit Steel	1.48	1.40	1.46	1.39
Brit Telecom	4.63	4.45	4.58	4.57
BTR	2.63	2.50	2.54	2.52
Burmah Castrol	10.20	10	10.15	10.16
Burton Gp	1.54	1.52	1.53	1.53
Cable Wireless	4.77	4.65	4.69	4.78
Cadbury Schw	5.17	5.13	5.15	5.17
Carlton Comm	5.12	5.05	5.07	5.10
Coml Union	7.23	7.08	7.15	6.95
Compass Gp	6.76	6.70	6.76	6.75
Courtaulds	3.30	3.20	3.29	3.28
Dixons	5.23	5.10	5.20	5.12
Electrocomponents	3.97	3.92	3.97	3.93
EMI Group	12.39	12.28	12.39	12.31
Energy Group	4.92	4.87	4.88	4.87
Enterprise Oil	6.17	6.10	6.15	6.14
Fam Colonial	1.56	1.54	1.56	1.55
Genl Accident	9.07	8.72	9	8.95
GEC	3.68	3.62	3.65	3.66
GKN	9.62	9.50	9.59	9.54
Glaxo Wellcome	11.99	11.73	11.95	12.02
Granada Gp	8.92	8.80	8.85	8.89
Grand Met	5.18	5.08	5.15	5.11
GRE	2.94	2.84	2.93	2.84
Greenalls Gp	5.04	4.95	5.04	5
Guinness	5.18	5	5.07	5.02
GUS	6.67	6.50	6.66	6.52
Hays	5.58	5.56	5.58	5.60
HSBC Hldgs	16.61	15.89	16.17	15.75
ICI	7.05	6.97	6.98	7.01
Impl Tobacco	4.05	3.99	4	4.03
Kingfisher	6.97	6.85	6.97	6.83
Ladbroke	2.35	2.31	2.34	2.33
Land Sec	8.05	7.94	8.05	8.05
Lasmo	2.27	2.20	2.24	2.24
Legal Genl Grp	4.33	4.25	4.27	4.30
Lloyds TSB Gp	5.60	5.43	5.55	5.50
LucasVarity	1.94	1.90	1.91	1.92
Marks Spencer	4.96	4.90	4.94	4.93
MEPC	4.64	4.59	4.62	4.62
Mercury Asset	13.53	13.20	13.53	13.44
National Grid	2.24	2.17	2.17	2.25
Natl Power	5.32	5.10	5.12	5.33
NatWest	7.33	7.17	7.26	7.26
Next	6.57	6.50	6.57	6.55
Orange	2.20	2.15	2.17	2.16
P&O	6.12	6.06	6.09	6.11
Pearson	7.25	7.05	7.14	7.10
Pilkington	1.14	1.10	1.12	1.13
PowerGen	6.52	6.22	6.33	6.52
Premier Farnell	4.70	4.60	4.63	4.69
Prudential	6.13	6.06	6.10	6.16
Railtrack PP	4.52	4.04	4.35	4.62
Rank Group	4.34	4.26	4.30	4.39
Reckitt Colm	8.61	8.40	8.61	8.42
Redland	3.59	3.48	3.57	3.51
Reed Intl	11.69	10.41	11.52	11.45
Rentokil Initial	4.07	4.03	4.05	4.05
Reuters Hdgs	6.86	6.42	6.80	6.60
Rexam	3.02	2.88	2.93	2.97
RMC Group	9.46	9.27	9.46	9.32
Rolls Royce	2.48	2.40	2.47	2.43
Royal Bk Scot	5.85	5.75	5.83	5.83
RTZ reg	9.95	9.80	9.91	9.90
Royal & Sun All	4.89	4.78	4.89	4.84
Safeway	3.40	3.31	3.36	3.40
Sainsbury	3.43	3.30	3.42	3.34
Schroders	15.95	15.75	15.94	15.80
Scot Newcastle	6.77	6.68	6.74	6.67
Scot Power	3.68	3.61	3.62	3.73
Securicor	2.96	2.83	2.93	2.86
Severn Trent	7.55	7.30	7.40	7.53
Shell Transp R	11.05	10.75	10.76	10.85
Siebe	9.37	9.14	9.34	9.16
Smith Nephew	1.75	1.73	1.73	1.74
SmithKline	10.10	9.86	9.97	9.98
Smiths Ind	7.70	7.57	7.67	7.57
Sthern Elec	4.40	4.25	4.26	4.37
Stagecoach	5.98	5.90	5.97	5.97
Stand Charter	9.34	9.20	9.28	9.35
Tate & Lyle	4.60	4.48	4.59	4.63
Tesco	3.61	3.55	3.58	3.58
Thames Water	6.77	6.43	6.44	6.80
3i Group	5.17	5.08	5.16	5.10
TI Group	5.52	5.38	5.46	5.34
Tomkins	2.71	2.67	2.67	2.70
Unilever	16.65	15.88	16.57	16.24
Utd Assurance	4.90	4.87	4.86	4.92
Utd News	7.64	7.44	7.47	7.50
Utd Utilities	6.59	6.40	6.48	6.73
Vendome Lx uts	5.19	5.16	5.17	5.37
Vodafone	2.79	2.70	2.76	2.74
Whitbread	7.72	7.63	7.67	7.49
Williams Hdgs	3.22	3.17	3.20	3.19
Wolseley	5	4.90	4.96	4.91
WPP Group	2.54	2.50	2.51	2.55
Zeneca	19	18.50	18.76	18.56

Madrid
Bolsa index: N.A. Previous: 513.35

	High	Low	Close	Prev.
Acerinox	21600	21230	21500	21360
ACESA	1700	1650	1680	1690
Aguas Barcelon	5780	5650	5750	5700
Argentaria	6550	6500	6550	6520
BBV	9980	9840	9970	9840
Banesto	1300	1280	1300	1295
Bankinter	22500	21750	22100	21800
Bco Centro Hisp	4465	4420	4465	4450
Bco Popular	31500	31130	31230	31000
Bco Santander	11050	10820	11040	11000
CEPSA	4800	4670	4760	4645
Continente	2485	2470	2470	2470
Corp Mapfre	7700	7500	7700	7650
Endesa	10300	10060	10260	10220
FECSA	1200	1180	1200	1195
Gas Natural	30850	30710	30760	31050
Iberdrola	1655	1620	1635	1650
Pryca	2580	2540	2560	2540
Repsol	6170	6100	6100	6130
Sevillana Elec	1315	1275	1290	1295
Tabacalera	7390	7020	7270	7340
Telefonica	3740	3710	3735	3745
Union Fenosa	1225	1195	1225	1220
Valenc Cement	1770	1715	1770	1750

Manila
PSE index: 2605.65 Previous: 2648.17

	High	Low	Close	Prev.
Ayala B	19.25	18	18.25	18.50
Ayala Land	19	18.25	18.75	19
Bk Philip Isl	147	140	144	142
C&P Homes	10	9.80	9.90	10
Manila Elec A	112	110	110	110
Metro Bank	545	535	545	540
Petron	9.70	9.10	9.10	9.70
PCIBank	315	307.50	307.50	325
Phil Long Dist	1495	1450	1485	1505
San Miguel B	77.50	75	75.50	76
SM Prime Hdg	6.80	6.60	6.70	6.90

Mexico
Bolsa index: 3748.49 Previous: 3736.61

	High	Low	Close	Prev.
Alfa A	44.90	43.60	44.90	43.60
Banacci B	17.00	16.80	16.80	17.02
Cemex CPO	26.15	25.90	25.95	26.00
Cifra C	12.20	11.86	11.98	12.20
Emp Moderna	40.80	40.80	40.80	40.80
Gpo Carso A1	46.00	45.10	45.30	45.90
Gpo F Bcomer	1.78	1.76	1.76	1.77
Gpo Fin Inbursa	27.50	27.50	27.50	27.20
Kimb Clark Mex	29.25	29.00	29.25	29.50
Televisa CPO	92.00	91.00	91.80	91.80
TelMex L	16.40	16.26	16.30	16.46

Milan
MIB Telematico: 12354.00 Previous: 12277.00

	High	Low	Close	Prev.
Alleanza Assic	11800	11500	11530	11620
Bca Comm Ital	3720	3680	3715	3675
Bca Fideuram	4390	4305	4320	4300
Bca di Roma	1260	1238	1238	1240
Benetton	22600	22150	22500	22250
Credito Italiano	2430	2395	2425	2400
Edison	9225	9040	9230	9080
ENI	8745	8630	8740	8690
Fiat	5720	5650	5700	5650
Generali Assic	29150	28700	28950	28650
IMI	14630	14460	14500	14585
INA	2285	2250	2250	2295
Italgas	5920	5830	5840	5855
Mediaset	7310	7185	7295	7200
Mediobanca	10775	10535	10600	10710
Montedison	1129	1119	1122	1121
Olivetti	498	482.50	486	500
Parmalat	2550	2485	2500	2490
Pirelli	3780	3735	3780	3770
RAS	14080	13875	13920	13985
Rolo Banca	17500	17350	17350	17345
S Paolo Torino	11395	11230	11395	11400
Stet	8320	8155	8210	8095
Telecom Italia	4640	4540	4625	4505
TIM	5455	5370	5375	5385

Montreal
Industrials index: 3023.87 Previous: 3011.44

	High	Low	Close	Prev.
Bco Mob Com	44.45	43¼	44.35	42.80
Cdn Tire A	25½	25.35	25.40	25¼
Cdn Util A	33¼	33¼	33.70	32.90
CT Finl Svc	33.35	33.35	33.30	32.75
Gaz Metro	17.30	17.20	17¼	17.20
Gt-West Lifeco	24	23.95	24	24
Imasco	39.45	39	39.45	39½
Investors Grp	25½	25½	25¼	25.55
Loblaw Cos	17.45	17.45	17.45	17.10
Natl Bk Canada	16.65	16½	16.55	16.40
Power Corp	29.90	29¼	29.70	29.30
Power Finl	26¾	26.40	26.70	26.40
Quebecor B	24.85	24.20	24.70	24.20
Rogers Comm B	8½	8.10	8.10	7.80
Royal Bk Cda	58.80	57½	58.70	57.20

Oslo
OBX index: 598.54 Previous: 600.77

	High	Low	Close	Prev.
Aker A	171	169	170	173.50
Bergesen Dy A	149.50	147	148.50	147
Christiania Bk	22.90	22	22.90	22.10
Den norske Bk	26	25.60	25.60	25.70
Elkem	137	135	135	136.50
Hafslund A	44.50	43	43	45
Kvaerner Asa	354	352	353	354
Norsk Hydro	347	340	340.50	347
Norske Skog A	236	233	234.50	236.50
Nycomed A	110.50	108	110.50	109
Orkla Asa A	603	596	603	597
Petm GeoSvc	274	265	266	278
Saga Petm A	125	122	123	124.50
Schibsted	124.50	121	124	123
Transocean Off	420	417	417	429
Storebrand Asa	44.60	43.80	44.60	43.80

Paris
CAC-40: 2655.31 Previous: 2639.46

	High	Low	Close	Prev.
Accor	855	841	855	837
AGF	191.50	187.50	190.50	189.90
Air Liquide	888	855	864	879
Alcatel Alsth	649	638	642	649
Axa-UAP	359.80	357.30	359	359.10
Bancaire	775	766	770	770
BIC	930	901	927	925
BNP	251	243.50	249	249
Canal Plus	1075	1051	1060	1054
Carrefour	3699	3636	3699	3644
Casino	275	270	275	271.80
CCF	264	258	263	259
Cetelem	680	661	674	680
Christian Dior	882	867	878	865
CLF-Dexia Fran	545	538	539	540
Credit Agricole	1265	1265	1265	1260
Danone	870	859	863	850
Elf-Aquitaine	575	558	573	566
Eridania BS	895	858	887	885
Eurodisney	9.80	9.60	9.70	9.80
Eurotunnel	6.65	6.50	6.65	6.55
Gen. Eaux	826	813	817	813
Havas	453	444.70	447.30	437
Imetal	806	797	806	801
Lafarge	392	385.10	391.90	382.80
Legrand	999	955	976	985
L'Oreal	2105	2080	2099	2071
LVMH	1437	1403	1415	1425
Lyon. Eaux	537	529	530	528
Michelin B	330.80	326.60	328.80	326.10
Paribas A	376.40	372.50	373.60	368.10
Pernod Ricard	303	300	303	299.90
Peugeot Cit	594	584	584	581
Pinault-Print	2489	2445	2489	2455
Promodes	1995	1952	1975	1969
Renault	140	136.50	137	138.20
Rexel	1574	1548	1551	1555
Rh-Poulenc A	200.50	198	199	196.30
Sanofi	566	544	560	545
Schneider	334	325	334	329
SEB	1034	1014	1023	1029
SGS Thomson	458.90	439.50	456	450
Ste Generale	658	651	657	654
Sodexho	2710	2699	2700	2680
St Gobain	781	772	778	782
Suez	284.80	281.20	281.80	283.20
Synthelabo	749	696	730	695
Thomson CSF	183	178	180	180
Total B	487	480	486	484
Usinor	89.50	88	89.50	88.20
Valeo	364	355.10	362.10	360

São Paulo
Bovespa index: 10106.96 Previous: 9982.39

	High	Low	Close	Prev.
Bradesco Pfd	8.82	8.75	8.78	8.80
Brahma Pfd	726.00	723.00	726.00	723.50
Cemig Pfd	48.20	47.50	48.00	48.49
CESP Pfd	57.40	56.50	57.20	56.50
Copel	16.50	16.50	16.50	16.39
Eletrobras	486.00	481.00	485.00	481.00
Itaubanco Pfd	580.01	575.00	580.00	575.00
Light Servicios	450.00	443.00	447.00	442.00
Lightpar	342.00	338.00	340.01	339.00
Petrobras Pfd	228.50	223.00	228.00	223.50
Paulista Luz	170.00	165.00	170.00	165.02
Sid Nacional	38.00	37.90	38.00	37.99
Souza Cruz	8.70	8.61	8.70	8.60
Telebras Pfd	124.20	121.99	124.00	121.99
Telemig	170.00	169.50	169.50	169.40
Telerj	178.00	175.02	178.00	177.00
Telesp Pfd	308.00	301.50	308.00	302.00
Unibanco	40.50	39.29	40.50	39.29
Usiminas Pfd	1.26	1.24	1.25	1.26
CVRD Pfd	27.10	26.85	27.00	27.10

Seoul
Composite index: 786.10 Previous: 783.23

	High	Low	Close	Prev.
Dacom	100000	96800	98000	98500
Daewoo Heavy	5290	4930	5290	4900
Hyundai Eng.	18500	17500	18200	17900
Kia Motors	17500	16500	17000	16800
Korea El Pwr	27200	26500	27000	26600
Korea Exch Bk	5760	5600	5600	5760
Korea Mob Tel	450000	426000	427000	456000
LG Semicon	28500	27200	28500	27700
Pohang Iron St	54400	52600	54000	53600
Samsung Display	43800	41600	43800	41600
Samsung Elec	64300	59000	61300	60600
Shinhan Bank	10900	10500	10500	11200

Singapore
Straits Times: 2016.23 Previous: 2004.26

	High	Low	Close	Prev.
Asia Pac Brew	6.90	6.75	6.75	6.80
Cerebos Pac	9.05	8.80	8.95	8.90
City Devlts	12	11.60	11.90	11.70
Cycle Carriage	15.10	14.90	15	14.80
Dairy Farm Int*	0.75	0.74	0.74	0.74
DBS foreign	17.70	17.10	17.70	17.20
DBS Land	4.78	4.66	4.66	4.68
Fraser & Neave	11.20	10.70	10.80	10.50
HK Land*	2.18	2.09	2.18	2.08
Jard Matheson*	5.60	5.30	5.45	5.50
Jard Strategic*	3.50	3.42	3.50	3.40
Keppel	6.45	6.30	6.35	6.30
Keppel Bank	3.82	3.80	3.80	3.78
Keppel Fels	4.54	4.52	4.52	4.52
Keppel Land	3.84	3.68	3.80	3.72
OCBC foreign	17.50	16.70	17.50	16.90
OS Union Bk F	10.20	9.50	10.10	9.50
Parkway Hdgs	5.95	5.80	5.85	5.90
Sembawang	6.45	6.20	6.40	6.25
Sing Air foreign	12.80	12.60	12.80	12.80
Sing Land	7.05	6.75	7	6.75
Sing Press F	26.90	26.50	26.90	26.80
Sing Tech Ind	3.78	3.66	3.74	3.74
Sing Telecomm	2.48	2.39	2.42	2.44
Tat Lee Bank	3.34	3.30	3.32	3.34
Utd Industrial	1.10	1.06	1.07	1.09
Utd O'Sea Bk F	14.20	13.60	14.10	13.60
Wing Tai Hdgs	3.98	3.74	3.94	3.74

*: in U.S. dollars.

Stockholm
SX 16 index: 2857.44 Previous: 2797.36

	High	Low	Close	Prev.
AGA B	103.50	102	102.50	102.50
ABB A	97	95.50	97	95.50
AssiDoman	203	195.50	203	196.50
Astra A	322.50	318.50	320.50	321
Atlas Copco A	196.50	193.50	195.50	194
Autoliv	288.50	272.50	272.50	285.50
Electrolux B	453	446	453	450
Ericsson B	262	257	261.50	248
Hennes B	1140	1126	1140	1135
Incentive A	525	520	520	513
Investor B	349.50	345	347.50	343
MoDo B	239	235	235	234.50
Nordbanken	247.50	242	247	241
Pharm/Upjohn	233.50	228.50	231.50	226
Sandvik B	195	191	195	193
Scania B	208	201	207.50	202.50
SCA B	174	166	174	168
S-E Banken A	83	80	82.50	80
Skandia Fors	235	228	233.50	227
Skanska B	339	335	337.50	333
SKF B	174	170	173	170
Sparbanken A	147	138	145.50	140
Stadshypotek A	190	190	190	190
Stora A	110	108	109	108.50
Sv Handles A	218	214	217	216
Volvo B	203.50	200.50	202	197.50

Sydney
All Ordinaries: 2491.60 Previous: 2485.40

	High	Low	Close	Prev.
Amcor	8.45	8.31	8.43	8.32
ANZ Bkng	8.24	8.18	8.21	8.22
BHP	18.15	17.97	18.04	18.08
Boral	3.80	3.75	3.79	3.80
Brambles Ind.	23.48	23.24	23.35	23.40
CBA	14.02	13.93	13.98	14
CC Amatil	14.65	14.53	14.65	14.60
Coles Myer	6.28	6.17	6.28	6.20
Comalco	6.35	6.20	6.20	6.30
CRA	19.24	19.05	19.10	19.03
CSR	4.80	4.73	4.80	4.75
Fosters Brew	2.59	2.51	2.59	2.55
Goodman Fld	1.68	1.66	1.67	1.68
ICI Australia	12.60	12.41	12.55	12.41
Lend Lease	24.15	23.97	24	24.20
MIM Hdgs	1.72	1.69	1.71	1.70
Nat Aust Bank	17.81	17.44	17.70	17.56
Nat Mutual Hdg	1.95	1.89	1.89	1.92
News Corp	5.97	5.83	5.88	5.93
Pacific Dunlop	3.49	3.39	3.49	3.42
Pioneer Intl	4.30	4.25	4.28	4.24
Pub Broadcast	6.75	6.65	6.70	6.75
St George Bank	8	7.94	8	7.95
WMC	7.57	7.50	7.52	7.58
Westpac Bkng	7.15	6.90	7.05	6.91
Woodside Pet	10.40	10.26	10.30	10.27
Woolworths	3.94	3.84	3.90	3.88

Taipei
Stock Market index: 8187.80 Previous: 8485.66

	High	Low	Close	Prev.
Cathay Life Ins	166	160	160	165
Chang Hwa Bk	123	118	118.50	119.50
Chiao Tung Bk	71.50	67.50	68.50	71.50
China Develpmt	116	112	112.50	115
China Steel	29.70	28.60	28.70	29.60
First Bank	121.50	116	116.50	118.50
Formosa Plastic	69	66	67	69
Hua Nan Bk	120	115.50	116.50	117.50
Intl Comm Bk	70	66	66.50	69.50
Nan Ya Plastics	73.50	70	71	73.50
Shin Kong Life	102	98	99	100.50
Taiwan Semi	95	88	90.50	94
Tatung	58.50	55.50	55.50	57
Utd Micro Elec	67.50	63	64.50	67
Utd World Chin	71.50	69	69	71

Tokyo
Nikkei 225: 19514.75 Previous: 19275.33

	High	Low	Close	Prev.
Ajinomoto	1140	1110	1130	1140
All Nippon Air	760	746	760	750
Amway	4020	3950	3990	4010
Asahi Bank	780	769	775	769
Asahi Chem	735	720	735	720
Asahi Glass	1170	1150	1170	1160
Bk Tokyo Mitsu	2080	2010	2080	2010
Bk Yokohama	536	526	536	530
Bridgestone	2840	2710	2840	2730
Canon	3180	3010	3170	3030
Chubu Elec	2070	2040	2060	2070
Chugoku Elec	2050	2020	2020	2030
Dai Nipp Print	2370	2350	2360	2370
Daiei	622	616	620	618
Dai-Ichi Kang	1410	1390	1410	1400
Daiwa Bank	421	412	421	418
Daiwa House	1320	1300	1310	1350
Daiwa Sec	834	817	834	823
DDI	8620a	8520a	8600a	8610a
Denso	2880	2810	2880	2850
East Japan Ry	5350a	5220a	5280a	5350a
Eisai	2290	2190	2290	2250
Fanuc	4340	4250	4280	4310
Fuji Bank	1480	1440	1480	1430
Fuji Photo	5020	4810	4970	4840
Fujitsu	1370	1340	1370	1350
Hachijuni Bk	1140	1110	1120	1120
Hitachi	1230	1200	1230	1210
Honda Motor	4000	3890	4000	3880
IBJ	1340	1320	1340	1330
IHI	484	480	484	485
Itochu	597	591	596	596
Ito-Yokado	6330	6070	6260	6120
JAL	520	505	507	506
Japan Tobacco	8250a	8090a	8200a	8100a
Jusco	4000	3970	4000	4030
Kajima	600	581	600	604
Kansai Elec	2200	2170	2200	2200
Kao	1480	1460	1470	1480
Kawasaki Hvy	525	518	522	516
Kawa Steel	382	375	382	379
Kinki Nipp Ry	708	702	707	706
Kirin Brewery	1140	1120	1130	1140
Kobe Steel	235	231	235	236
Komatsu	950	931	950	953
Kubota	593	585	592	587
Kyocera	7600	7520	7600	7560
Kyushu Elec	2060	2030	2030	2050
LTCB	352	345	351	351
Marubeni	489	483	487	482
Marui	2150	2080	2110	2150
Matsu Comm	3350	3300	3350	3090
Matsu Elec Ind	2150	2070	2150	2070
Matsu Elec Wk	1320	1300	1300	1300
Mitsubishi	1240	1200	1240	1210
Mitsubishi Ch	416	410	415	421
Mitsubishi El	723	711	715	710
Mitsubishi Est	1610	1560	1580	1610
Mitsubishi Hvy	830	816	820	831
Mitsubishi Mat	880	876	880	887
Mitsubishi Tr	1460	1420	1460	1450
Mitsui	984	970	980	986
Mitsui Fudosn	1470	1430	1440	1470
Mitsui Trust	765	756	762	765
Murata Mfg	4800	4760	4790	4720
NEC	1590	1560	1590	1570
Nikon	1830	1790	1830	1810
Nikko Sec	719	708	718	711
Nintendo	9400	9280	9340	9370
Nipp Express	871	861	871	871
Nippon Oil	600	585	600	592
Nippon Steel	375	369	375	371
Nissan Motor	785	759	785	767
NKK	276	272	275	272
Nomura Sec	1480	1430	1480	1430
NTT	9700a	9500a	9700a	9690a
NTT Data	3900b	3770b	3890b	3780b
Oji Paper	675	649	651	685
Osaka Gas	299	293	299	301
Ricoh	1540	1510	1540	1510
Rohm	10100	10000	10100	9850
Sakura Bk	690	674	689	674
Sankyo	3410	3370	3380	3380
Sanwa Bank	1400	1350	1390	1370
Sanyo Elec	504	489	500	486
Secom	7510	7390	7430	7520
Seibu Rwy	6190	6010	6110	6100
Sekisui Chem	1230	1200	1220	1230
Sekisui House	1140	1110	1130	1120
Seven-Eleven	8020	7950	7980	7950
Sharp	1650	1610	1650	1640
Shikoku El Pwr	1950	1930	1950	1930
Shimizu	617	605	616	605
Shin-etsu Ch	2650	2590	2650	2590
Shiseido	1830	1780	1800	1790
Shizuoka Bk	1140	1130	1140	1140
Softbank	7610	7500	7500	7500
Sony	9360	9220	9360	9260
Sumitomo	870	855	870	855
Sumitomo Bk	1510	1470	1490	1490
Sumit Chem	534	515	526	534
Sumitomo Elec	1740	1720	1740	1720
Sumit Metal	322	312	322	319
Sumit Trust	1130	1110	1130	1110
Taisho Pharm	3140	3080	3090	3130
Takeda Chem	2960	2930	2950	2960
TDK	9280	9190	9280	9220
Tohoku El Pwr	1960	1910	1910	1940
Tokai Bank	940	930	940	938
Tokio Marine	1280	1250	1270	1250
Tokyo El Pwr	2280	2250	2270	2260
Tokyo Electron	4890	4770	4810	4880
Tokyo Gas	302	293	294	295
Tokyu Corp.	662	657	662	658
Tonen	1220	1190	1220	1200
Toppan Print	1640	1620	1630	1640
Toray Ind	797	781	794	787
Toshiba	753	737	753	734
Tostem	2990	2950	2990	2970
Toyo Trust	865	844	860	840
Toyota Motor	3810	3680	3810	3680
Yamanouchi	2790	2730	2780	2740

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6088.01 Previous: 6009.98

	High	Low	Close	Prev.
Abitibi Price	23.70	23⅛	23.60	23.60
Alberta Energy	30.20	29.90	29.90	30
Alcan Alum	48.15	47.35	47.90	47.45
Anderson Expl	16⅛	16.35	16.45	16.35
Bk Montreal	53.40	52.45	53.40	52.85
Bk Nova Scotia	55.40	54⅞	55.30	54.30
Barrick Gold	31½	31.10	31¼	31.45
BCE	70½	69	69.60	69¾
BC Telecomm	29.20	28.10	29.05	28.05
Biochem Pharm	27½	26.45	27½	25¾
Bombardier B	28	27.50	27.95	27.95
Brascan A	34	33¾	33¾	33⅝
Bre-x Minerals	3.42	3.04	3.15	3.04
Cameco	51.95	50	51.90	49⅞
CIBC	33.55	33	33.45	32.80
Cdn Natl Rail	56⅛	54.80	56	54.85
Cdn Nat Res	34.40	33.60	34.40	33.65
Cdn Occid Pet	27.70	27.05	27.65	27¼
Cdn Pacific	34½	33.70	34.40	33.70
Cominco	36.35	36	36.10	36.20
Dofasco	24	22.85	24	23.85
Domtar	11⅞	11⅛	11.60	11.70
Donohue A	28.80	28½	28¾	28.45
Du Pont Cda A	34.95	34.60	34.90	34.65
Edper Group	23.15	23.05	23.10	23.10
EuroNev Mng	39½	39	39	39.85
Fairfax Finl	299.90	299	299	299
Falconbridge	29¾	29.15	29.70	29.40
Fletcher Chall A	23.45	23.10	23.40	23¼
Franco Nevada	64.70	64.15	64⅛	65
Gulf Cda Res	11.35	11	11.35	11.30
Imperial Oil	64.10	63.60	63.85	63.95
Inco	45.45	44.95	45.30	45.15
IPL Energy	42.30	42	42.20	42.20
Laidlaw B	19.10	18.90	18.95	19
Loewen Group	41½	40	41.40	40
Macmill Bloed	19.45	19.10	19.40	19.30
Magna Intl A	74	72.90	74	73.40
Methanex	13.05	12.95	13.05	13.05
Moore	28⅜	28.30	28.70	28.30
Newbridge Net	46.30	44½	46	44.55
Noranda Inc	30	29	29.85	29.45
Norcen Energy	29	28.40	28¾	28⅛
Nthern Telecom	103¾	101.85	102.60	102.05
Nova	11.80	11.65	11.70	11¾
Onex	23.55	23.10	23½	23½
Pancdn Petm	56.40	56	56	55.80
Petro Cda	22.85	22.65	22.70	22.80
Placer Dome	23.10	22.85	23	22.95
Poco Petm	14½	14	14.10	14.10
Potash Sask	110	108½	109½	110
Renaissance	39.60	38.40	39⅛	38.45
Rio Algom	35.80	35.30	35.30	35.70
Rogers Cantel B	24	23.40	23.40	24.20
Seagram Co	53.85	53.10	53.85	53⅜
Shell Cda A	57½	57	57.40	57
Stone Consold	23.60	23.45	23⅛	23.45
Suncorp Energy	65.40	64	65.40	64
Talisman Eny	42½	41.80	42⅛	42
Teck B	27.80	27.30	27¾	27¾
Teleglobe	39.90	39⅛	39⅜	39½
Telus	24½	21.55	22	20.05
Thomson	31	29⅞	31	29.60
TorDom Bank	40.95	39.90	40.95	40
Transalta	15.60	15.45	15.55	15⅞
TransCda Pipe	26.20	25.90	26.18	26
Trimark Finl	44⅛	43.85	44.15	43.35
Trizec Hahn	31.35	30.60	30¾	31½
TVX Gold	8.15	7.85	8.10	8
Westcoast Eny	24.60	24⅛	24½	24.20
Weston	81	78	78	77½

Vienna
ATX index: 1205.71 Previous: 1194.23

	High	Low	Close	Prev.
Boehler-Uddeh	902	875	899	879
Creditanst Pfd	460.55	455.50	460.55	457.30
EA-Generali	3124.45	3095	3109	3125.45
EVN	1535	1505	1528	1507
Flughafen Wien	505	497.60	501.60	505
OMV	1348.50	1317	1329.90	1330
Oest Elektriz	856.30	851.05	856.30	851.05
VA Stahl	489.95	480.90	489.50	481
VA Tech	1965	1888.10	1949	1893.10
Wienerberg Bau	2242	2195	2240	2211.50

Wellington
NZSE-40 index: 2277.53 Previous: 2266.11

	High	Low	Close	Prev.
Air N Zeald B	4.20	4.16	4.20	4.17
Brierly Invt	1.29	1.28	1.28	1.28
Carter Holt ord	3.20	3.17	3.18	3.19
Fletch Ch Bldg	4.10	4.06	4.07	4.06
Fletch Ch Eny	4.25	4.17	4.24	4.15
Fletch Ch Forst	2.07	2.02	2.05	2.02
Fletch Ch Paper	3.22	3.17	3.22	3.19
Lion Nathan	3.59	3.48	3.57	3.50
Telecom NZ	6.58	6.50	6.53	6.50
Wilson Horton	11.70	11.65	11.65	11.65

Zurich
SPI index: 3127.47 Previous: 3094.65

	High	Low	Close	Prev.
ABB B	1795	1781	1795	1785
Adecco B	490	485	487.50	492
Alusuisse R	1254	1243	1254	1250
Ares-Serono B	2240	1990	2140	1978
Atel R	850	850	850	851
Baer Hdg B	1874	1847	1870	1845
Baloise Hdg R	3140	3070	3110	3110
BK Vision	943	938	943	942
Ciba Spec Chem	134	127.75	131.25	127
Clariant R	849	844	848	844
Crd Suisse Gp R	168.25	164.50	167.25	166
Elektrowatt B	530	526	530	527
Ems-Chemie	6130	6070	6120	6115
ESEC Hdg	4650	4430	4430	4400
Holderbank B	1160	1144	1160	1147
Liechtenst LB B	482	478	482	478
Nestle R	1809	1788	1806	1790
Novartis R	1982	1940	1978	1942
Oerlikon Buehr R	149	146.25	147.75	146
Pargesa Hld B	1775	1750	1765	1760
PharmaVisn B	748	731	745	738
Richemont A	2150	2140	2150	2135
Pirelli PC	225	222.50	224	225
Roche Hdg PC	12550	12395	12510	12450
SBC R	325	319.50	324.50	322
Schindler PC	1795	1755	1761	1785
SGS B	3125	3050	3100	3050
SMH B	836	820	832	835
Sulzer R	1029	1013	1022	1015
Swiss Reins R	1746	1712	1746	1706
Swissair R	1330	1292	1327	1290
UBS B	1418	1395	1407	1395
Winterthur R	1082	1061	1081	1058
Zurich Assur R	488	476.50	485	484

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	155.18	+0.59	+0.38	+4.05
Regional Indexes				
Asia/Pacific	113.64	+1.62	+1.45	-7.93
Europe	164.03	+0.45	+0.28	+1.76
N. America	181.94	+2.42	+1.35	+12.37
S. America	135.68	-9.23	-6.37	+18.57
Industrial Indexes				
Capital goods	191.35	+1.75	+0.92	+11.95
Consumer goods	177.92	+2.30	+1.31	+10.21
Energy	181.16	-0.51	-0.28	+6.12
Finance	113.75	+1.26	+1.12	-2.33
Miscellaneous	156.77	+0.34	+0.22	-3.10
Raw Materials	178.85	-1.89	-1.05	+1.98
Service	144.23	-0.52	-0.36	+5.03
Utilities	126.03	-7.65	-5.72	-12.15

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — *Compiled by Bloomberg News.*

NYSE

Friday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

EGYPT

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The emerging Egyptian economy is the outcome of a new government based on transparency in the formulation of policies, in the institutions that manage them, and in the data that evaluate them. This ethic rejects the obstructive bureaucracy, the burdensome regulation and the obscure logic of intrusion.

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Keynote address at the World Economic Forum Davos – February 2, 1997

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Continued on Page 14

ASIA/PACIFIC

Thailand Delays Property-Bailout Bond Issue

Bloomberg News

BANGKOK — The government unexpectedly delayed the launching Friday of a $2 billion borrowing program for troubled property and finance companies, casting more doubt on its plan to rescue the industries.

The delay underscored the difficulty of the task confronting the government and the agency created to manage the bailout, which some analysts said could cost $12 billion.

The Finance Ministry did not say why the agency, the Property Loan Management Organization, had delayed its planned sale of $1 billion baht ($38.3 million) of bonds.

But an official at the Financial Institutions Supervision and Development Board said the sale had been delayed until next week because the paperwork had not been completed. The cabinet approved the agency's borrowing plans three days ago.

"It's easy to make announcements, hard to implement," said David Riedel, analyst at Salomon Brothers (H.K.) Ltd. "These programs invariably get delayed or shrink." The agency has a big job ahead of it. For four years, the Thai property market has been mired in a slump because of overbuilding and high interest rates.

Thailand's slowest economic growth in a decade triggered a wave of loan defaults by developers last year, leaving lenders in the lurch.

About 40 percent of the 900 billion baht of loans made to property developers in the early 1990s are in default. The agency, modeled on the U.S. agency that bailed out failed savings-and-loan institutions in the early 1990s, will buy some of these loans — mainly from ailing finance companies — and make new ones to developers so that they will have enough cash to finish projects.

The agency planned to sell about 1 billion baht of bonds maturing in seven years. The securities will not pay interest; instead, they will be sold at a steep discount to their face value and will yield about 9 percent.

But that was not high enough for many foreign fund managers, who will be able to buy the zero-coupon bonds. The securities, implicitly backed by the government, would be hurt even more than ordinary bonds if Thai interest rates rose, because zero-coupon bonds do not pay regular interest.

If rates rise half a percentage point, for example, the price of the seven-year zero-coupon bailout bonds paying 9 percent a year would fall 3.28 percent, while the price of a bond paying about 10 percent a year would fall just 2.40 percent.

"We're just not interested in bonds like this," said Rosa Wong, a fund manager at Peregrine Asset Management (H.K.) Ltd.

Traders said the government might pressure local banks to buy the bonds. With overnight lending rates at 8 percent, those banks may barely be able to cover the cost of buying the bailout bonds.

Even before the bonds were due to go on sale, the agency was off to a shaky start. This week, the Thai cabinet halved the agency's borrowing limit, to 50 billion baht. Standard & Poor's Corp. says about 300 billion baht will be needed to resolve the crisis.

In addition, few people expect the agency to provide a quick fix for the Thai property market's problems. Bangkok office prices are likely to fall as much as 10 percent this year because demand will not keep pace with the amount of new space coming on the market, analysts said.

■ New Mergers Are Forecast

More mergers are expected among Thai finance companies in the near future as competition intensifies, making it necessary to have a larger capital base, Reuters reported, quoting a central bank official.

"It is certain that the number of finance companies will decrease through the mergers," said the Bank of Thailand's deputy governor, Jaroong Nookhwun, adding that the mergers would "help boost competitiveness in preparation for fiercer competition following the liberalization of the financial market."

Thailand has 91 finance and securities companies.

Shares Slide In Philippines

Compiled by Our Staff From Dispatches

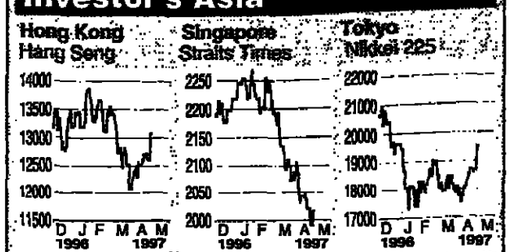
MANILA — Philippine stocks slumped to a 16-month low Friday, with Pilipino Telephone Corp. collapsing to its lowest point ever, two days after the central bank raised its overnight lending rate to 11 percent from 10.25 percent.

Pilipino Telephone fell 12 percent to close at 11 pesos (42 U.S. cents). The cellular phone company's first-quarter profit shrank 83 percent.

Manila's 30-share composite index fell 42.52 points, or 1.6 percent, to 2,605.65, its lowest point since Jan. 2, 1996, as concern about the property sector weighed on bank stocks.

(Reuters, Bloomberg)

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,081.70	13,020.79	+0.47
Singapore	Straits Times	2,616.23	2,604.26	+0.66
Sydney	All Ordinaries	2,491.60	2,485.40	+0.25
Tokyo	Nikkei 225	19,514.75	19,275.39	+1.24
Kuala Lumpur	Composite	1,097.36	1,080.17	+1.65
Bangkok	SET	668.10	661.29	-0.18
Seoul	Composite Index	706.10	703.23	+0.41
Taipei	Stock Market Index	8,187.80	8,485.68	-3.52
Manila	PSE	2,605.65	2,648.17	-1.61
Jakarta	Composite Index	647.89	650.46	-0.40
Wellington	NZSE-40	2,277.53	2,266.11	+0.50
Bombay	Sensitive Index	3,881.71	3,841.11	+1.03

Source: Telekurs — International Herald Tribune

Taipei Stocks Plummet

Sluggish Profits Cast Doubt on This Year's Rally

Compiled by Our Staff From Dispatches

TAIPEI — The stock market plunged 3.5 percent Friday as a slide in technology companies and disappointment over corporate profits cast doubt over this year's sharp rally.

The Taipei Stock Exchange's weighted index fell 298.66 points, to 8,187.00, its biggest-one day drop since May 20, 1996. Analysts said they expected further declines amid political and economic uncertainties.

Advanced Semiconductor Engineering, Mustek Corp. and other electronics companies led the way after several of the companies reported weaker-than-expected first-quarter profit in the past week.

Those results raised concern that a 21 percent gain in the benchmark index so far this year had outstripped the prospects for corporate profits. The index is still up 18 percent on the year.

"This market ran ahead of itself," said Jonathan Ross of HG Asia Securities Taiwan Ltd. "The earnings that have come through haven't been spectacular, and it will only be in the second half — or into 1998 — that things will really pick up."

Electronics stocks accounted for a third of the decline in the benchmark index, and the group took its biggest dive in almost 14 months. Mustek, which makes scanners, fell 11 Taiwan dollars (40 U.S. cents), to 155 after reporting disappointing earnings.

Concern over the island's social, political and economic outlook also was likely to prolong the correction, analysts said.

The decline was speeded by concern that the unsolved murder of a Taiwan actress's daughter will prompt wealthy individuals to put off investments or emigrate, traders said. This was the third high-profile murder here in six months and raised concern that the government is having trouble cracking down on gang-related crime.

(Reuters, Bloomberg)

Very briefly:

• **A Nomura Securities Co.** shareholder is suing former executives of the company, including its former president, Hideo Sakamaki, and several of its former directors. The suit alleges that the executives did material damage to shareholders when they funneled 70 million yen ($550,000) to **Kojin Building**, a company linked to *sokaiya* corporate racketeers, the Jiji news service reported.

• **Hyundai Engineering & Construction Co.** of South Korea and **Zueblin AG** of Germany have been awarded a $222.5 million contract to build a 20-kilometer (12.4-mile) section of railway for the Singapore subway. Hyundai's share of the contract is valued at $159.4 million and Zueblin's at $63.1 million, the companies said.

• **The foreign share** of Japan's semiconductor market rose to 29.4 percent in the fourth quarter of 1996, the second-highest level ever and 2.3 percentage points higher than in the third quarter, the U.S. trade representative, Charlene Barshefsky, said. The foreign share of Japan's chip market averaged 27.5 percent for all of 1996.

• **Century Zinc Ltd.**, a unit of **RTZ-CRA Group**, said a settlement had been reached in a dispute with aboriginal groups in Australia that had held up mining of the world's largest untapped zinc deposit for three years. The project, valued at 1.1 billion Australian dollars ($863.2 million), will be allowed to proceed if the government of Queensland state revives a 30 million-dollar compensation package for the groups. Century, the world's largest mining company, will pay an additional 60 million dollars in compensation.

• **Indonesian** stocks fell for a third day, led by **PT Telkom**, amid concern about the country's political stability. The Jakarta Stock Exchange's composite index fell 2.6 points, or 0.39 percent, to 647.9 points. For the week it fell 0.7 percent, or 4.6 points.

• **Australia** ordered **CanWest Global Communications Corp.** of Canada to reduce its stake in **Ten Group Ltd.** by Sept. 30. CanWest increased its stake in the television network in January to 76 percent from 57.5 percent; the ruling said CanWest must cut the stake back to its previous level.

• **Westpac Banking Corp.**'s shares surged after the bank said it would spend as much as 357 million Australian dollars buying back 2.8 percent of its stock. The shares rose 2 percent to close at 7.05 dollars amid expectations the buyback would ensure demand for the Sydney-based bank's stock.

• **The Singapore International Monetary Exchange**, Singapore's futures exchange, is exploring opportunities for other contracts based on regional stock indexes after the positive performance of its Taiwan stock index contract.

• **Wing Tiek Holdings Bhd.**'s profit before special items for the six months ended Jan. 31 fell 71 percent, to 1.22 million ringgit ($486,000), on lower steel prices and the costs of maintaining a large inventory of raw materials.

• **Australia**'s prime minister, John Howard, said the country's media needed more local investment, giving a lift to Kerry Packer's bid for the **John Fairfax** newspaper group. Separately, Mr. Howard said that **News Corp.**'s Australian unit, **News Ltd.**, had asked the government to raise its 15 percent limit on foreign ownership so that the company could increase its stake in **Seven Network Ltd.**

• **The Tokyo Stock Exchange** continued a three-week ascent as signs pointed to a further surge in profits by Japan's export powerhouses. The Nikkei stock index rose 1.2 percent, or 239.42 points, to close at 19,514.75 as institutional investors actively bought selected international blue chips.

• **Mongolia** enacted tariff reforms that abolished virtually all customs duties, including those on oil, its largest import item.

• **Indian Rayon & Industries Ltd.**, a rayon and cement maker controlled by **Birla Group**, said net profit rose 16.2 percent, to a higher-than-expected 2.15 billion rupees ($60.1 million) in its latest year, despite flat cement prices and a new tax on profits.

WP, Bloomberg, Reuters, AFP

Coca-Cola Buys Korean Bottler

Bloomberg News

SEOUL — Coca-Cola Co., shrugging off protests that it unfairly canceled an agreement with a local bottling company, moved ahead Friday with plans to increase its investment in South Korea.

Coca-Cola Korea Bottling Co. said it had bought plants, land and equipment from Honam Foods Co. for what Yonhap news agency said was 48.5 billion won ($54.4 million).

A Coca-Cola spokesman declined to disclose the amount of the cash transaction but said the amount was "not too far off."

The acquisition follows Coke's purchase of the plants and equipment of another bottler, Woosung Food Co., last week and is part of Coke's $400 million five-year investment program announced in March aimed at increasing its business in Korea. It now has about 59 percent of the $1 billion bottling market.

The transaction came as workers from Bum Yang Food Co. protested Coke's plan to start its own bottling business. Bum Yang, which was a Coke bottler until its contract expired March 31, rejected Coke's buyout bid, and South Korea's Fair Trade Commission began an investigation last month of Coke's moves.

■ Blue-Chip Stocks Rise in Seoul

Foreign investors bought South Korean blue-chip shares Friday, the first day of the latest increase in the ceiling on foreign-owned stocks, brokers said, Reuters reported.

The ceiling, which rose to 23 percent from 20 percent, is applied to foreign holdings in individual companies.

Seoul's benchmark composite stock index rose 2.87 points, or 0.4 percent, to 706.10.

RISK: *Are Returns on China Ventures Worth It?*

Continued from Page 9

poration Nestle SA set up an entire unofficial distribution company in China to shadow the state-owned company that Nestle was required by law to hire to distribute its products.

That Nestle company monitors stock rotation to make sure that no expired goods are left on retailers' shelves, even though that is supposed to be the state company's job, said Anthony Lo, commercial director for Nestle in Beijing. In essence, Nestle finds itself paying twice for product distribution in China.

The main attraction of China, of course, is size. Many companies feel they cannot pass up the world's biggest country and its 1.2 billion potential consumers, even though most of them are still very poor. The fact that all of their major competitors may be in China already can only add to the temptation.

Yet size alone is not the only attraction. India is likely to become a bigger market than China in the next 30 years or so, yet it attracts barely 2 percent of the amount of foreign investment that goes to China. Admittedly, India is rated nearly as risky as China, but Indian investments pay off more handsomely. So why is China so more alluring?

"It's something to do with how open these systems are," said Wong Keng Siong, an economist at Yamaichi Research Institute in Singapore. India's prohibitive taxes on capital leaving the country act as a deterrent, as do ever-shifting regulations, he said. Also, analysts note, some "foreign" investment in China is really Chinese money smuggled out and coming back in through Hong Kong.

What companies may be overlooking is that taken together, the more profitable countries of the region — Indonesia, Thailand, Malaysia, Singapore and the Philippines, along with their Southeast Asian neighbors — offer a population more than half the size of China's, and often far greater returns.

"Businesses will not say 'We have to be in Southeast Asia,' because they look at countries, not regions," Mr. Hildebrandt said. Yet devising strategies for the different markets and languages of China, with the highly decentralized government that it has in place, may be riskier than setting up separate operations in Malaysia and Indonesia, for example.

Consider the problems in China experienced by Volkswagen AG, one of the country's few foreign-investment success stories. According to the Economist Intelligence Unit, the German carmaker has captured nearly half of the national market for passenger cars, thanks to its joint-venture Santana plant in Shanghai, opened in 1986. But analysts say Volkswagen has lost what could amount to as much as $100 million on a second plant in the northern city of Changchun. Different city, different joint venture partner, different problem.

Still, many companies far less successful than Volkswagen continue their efforts in China. A common refrain from many of them is that they are taking a long-term view. The problem with that argument is that "the executives who are making it won't be around in 10 or 15 years to answer to their shareholders who want to know what went wrong," one multinational executive said.

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The Associated Press.

NYSE

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(Continued)

Institutional Funds for Individual Investors

The following funds have recently reduced their minimum purchase requirements to no more than $10,000 and have outperformed the average fund within their investment style. They are available through discount brokers in the U.S. Almost all funds listed have lower-than-average expense ratios.

	Objective	3-Year Annual return	5-Year Annual return	Expense ratio
Large-Cap Value Average		12.70%	12.46 %	1.40
MAS Funds Value Portfolio	*Growth & Income*	20.27	18.13	0.60
MainStay Institutional Value Equity	*Growth & Income*	15.24	16.71	0.93
American AAdvantage Growth & Inc.	*Growth & Income*	16.29	14.80	0.62
Large-Cap Blend Average		13.15	12.34	1.38
Pimco Equity Adv Cadence Cap. App.	*Growth*	16.53	16.94	0.70
Mid-Cap Value Average		13.23	13.79	1.48
Pimco Equity Adv NFJ Equity Inc.	*Equity Inc.*	14.51	14.34	0.70
Pimco Equity Adv NFJ Diver. Low P/E	*Growth & Income*	17.02	NA	0.70
Mid-Cap Blend Average		14.10	13.17	1.70
Pimco Equity Adv Cadence Mid Cap	*Growth*	17.11	NA	0.70
Mid-Cap Growth Average		16.77	15.43	1.77
MAS Funds Mid-Cap Growth Portf.	*Growth*	23.66	18.96	0.61
UAM Siroch Special Equity Port.	*Small Company*	21.25	18.76	0.85
Quantatative Group Numeric Fund	*Small Company*	25.40	NA	1.36
Small-Cap Value Average		12.60	13.96	1.57
MAS Funds Small Cap Value Portf.	*Small Company*	18.29	20.38	0.97

Source: Morningstar Inc.

International Herald Tribune

Funds That Woo a Privileged Few

Many Investors Excluded by High-Minimum Requirements

By Digby Larner

AT FIRST GLANCE, the Everest Capital International hedge fund would appeal to a broad range of investors. Over four years, it has achieved an annualized compound return of 17.19 percent, beating the Morgan Stanley Capital International world index, a measure of stocks in industrial countries, by a clear 6 percentage points.

Broadly appealing it may be, but broadly held, it is not: Everest carries a minimum investment limit of $2 million — a factor that excludes most mutual-fund investors.

While the Everest investment minimum is unusually high, the fund belongs to a large group of funds worldwide aimed exclusively at those with at least $25,000 to invest.

Martin Harrison, an investment manager with GAM Fund Managers (Isle of Man) Ltd., said managers demanded higher-than-average initial investments for a number of reasons. In some cases, it can be a reflection of a fund's risk.

"In financially regulated markets such as Britain and the United States, it can be hard to get the approval necessary to get these funds into the mass market," he said. "Because the fund is only likely to appeal to a narrow band of sophisticated investors, they all have to contribute relatively large amounts to make it viable."

Nicola Meaden, a director of TASS Management Ltd. in Britain, said this was true of the 950 hedge funds worldwide that she monitors. Most of these funds fall into the high-minimum category.

"They are mainly based offshore and more volatile than typical mutual funds," she said. "Usually they are geared to a more sophisticated, institutional market."

Mr. Harrison added that marketing can be another consideration, as some fund managers and brokers are keen to gain a reputation for working at the top end. GAM's funds fall short of the high-minimum range, but still demand an average $15,000 from investors.

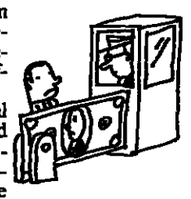
"It was more of a strategic decision," he said. "Retail business is a fairly new concept for us and with most of our funds we prefer not to have people switching in and out all the time."

Ian Martin, director of business development with Gartmore Investment Management PLC in London, said high minimums of £50,000 and £100,000 ($81,500 and $163,000) for 19 of its funds were designed to dissuade retail investors.

"It has absolutely no effect on the way the funds are managed," he said. "Investors buy the same management expertise in all of our funds. It's just that sometimes you want to appeal to a specific type of investor. With our high-minimum funds, we want to attract purely institutions. What they demand in terms of service and information is very different to the sort of administration needed on funds with $1,000 lump-sum minimum."

Despite the institutional restriction, few managers would turn away interested private investors with enough money to get started. The question to be asked, however, is whether sticking money in high-minimum funds gets investors the best returns.

The answer is yes, according to Jeff Kelly, an analyst with the Chicago fund monitor Morningstar Inc. He said that in all investment sectors apart from small companies, high-minimum funds aimed at institutions delivered better returns than retail funds in a five-and-a-half-year period ended in August.



"The average institutional U.S. diversified equity fund has outpaced its noninstitutional counterpart by a cumulative 8 percentage points," he said in a report. "That is more than $800 on a $10,000 investment."

He added that although this difference was often attributed to the quality of management that institutional funds attract, it has more to do with charges.

Morningstar found that U.S. diversified equity funds swallowed an average 1.52 percent in expenses. High-minimum funds destined for institutional investors charged just 0.93 percent. This advantage, compounded over five years, accounted for almost all the outperformance of high-minimum funds relative to their low-minimum cousins.

The same is true in Britain, where figures from Micropal Ltd. show investment returns are virtually the same for small- and high-minimum funds once expenses are stripped out. From more than 1,500 unit trusts sold in Britain, about 10 percent demand a minimum investment of £50,000 or more.

Excluding charges, £1,000 invested over one year in high-minimum funds returned an average £1,056.68, compared with £1,075.15 across all funds. Over five years, the returns were £1,934.79 for high-minimum funds and £1,959.76 for all funds.

Two British authorized funds carrying the highest minimum investment at £500,000 achieved average returns. The Smith & Williamson Thoroughbred Trust returned £1,075.37 per £1,000 invested over one year and £2,173.13 over five. The Fidelity Moneybuilder returned £1,054.64 and £1,758.54 over those periods.

Some high-minimum fund managers in the United States have struck deals with discount brokers allowing them to accept initial investment of $10,000. About 100 funds once targeted at high-net-worth clients attempt to attract smaller retail investors this way.

But according to Philip Beal, a director with Fleming Investment Management Ltd. in London, which manages funds on both sides of the Atlantic, high-minimum funds moving into the retail market risk losing their performance advantage.

The only way to avoid this is for high-minimum funds to limit the number of investors they allow in at lower levels, he said. Indeed, that is what many of the U.S. high-minimum funds available through discount brokers are doing.

For further information, call:

- Everest Capital International, *1 441 292 2300.*
- Fleming Investment Management, *44 171 638 5858.*
- GAM Fund Managers, *44 171 493 9990.*
- Gartmore Investment Management, *44 171 782 2000.*

Sneaking In With Modest Means

Small Investors Can Often Skirt Those Large-Sum Rules

By Conrad de Aenlle

MANAGEMENT companies impose large minimum investments, sometimes in the millions of dollars, on funds intended for institutions and wealthy individuals. Their rules seem simple: If you do not have as much to commit as the manager requires, then you cannot invest. But the truth is that often you can.

In some instances, a sympathetic intermediary — a broker or bank — is needed, along with like-minded fellow investors. In other cases, it takes an aggressive marketing director who wants to peddle his company's portfolios through different distribution channels to reach as many potential shareholders as possible.

One problem investors face is discovering many of the available funds in the first place.

"Generally speaking, most of these funds are private-placement vehicles or institutional vehicles," said Diana Mackay, managing director for Europe of the fund-research firm Lipper Analytical Services. "They may be publicly authorized but are not targeted at the public, so when you talk about how to get into a fund with a high minimum investment, nine times out of 10 you won't know about it because it's not actively marketed."

But often, especially in the United States, a manager will market an institutional fund to clients of modest means. Fund providers, often large investment houses, will set up funds with several classes aimed at different segments of the market: a class for institutions such as pension funds and insurance companies, another to be sold through retail brokers and financial advisers, and yet another marketed directly through newspapers and financial magazines.

Some companies have tried an approach known as hub and spoke, in which different sorts of investors buy funds (the spokes) that have different minimums, fee structures or legal domiciles; they are all invested in the same portfolio (the hub).

Richard Brereton, vice president in charge of offshore funds at Morgan Stanley & Co., said that many fund providers find this method cumbersome and prefer simply to offer several fund classes. His company, for instance, has a range of Luxembourg-registered funds that require a $2.5 million investment and two other classes targeted at the retail market with $10,000 minimums.

Management companies "no longer have the need to jury-rig minimums so that people can get into funds through the back door through some temporary convenience," Mr. Brereton said. "They met the matter head on; they're telling the market, 'We want to serve those clients'."

He said the idea was catching on slowly in many countries, while in the United States, "everybody and their brother has multiclass funds."

"The idea has been around for a long time and it works very well," he added.

From the management company's perspective, there is little difference in the way the various classes of a fund are marketed, especially in Europe, where funds are seldom sold without an intermediary's help. The manager will line up big retail banks or insurance companies to sell the retail classes to their clients, much as it would solicit business from a large institution looking for a place to park its own assets.

High-minimum funds also are available to small investors in the United States at so-called fund supermarkets, through which brokers sell the funds of different management companies without charging sales commissions.

U.S. clients of Charles Schwab Corp., the largest discount brokerage, can use its Mutual Fund Marketplace to buy a handful of funds managed by Miller, Anderson & Sherrard with as little as $2,500, when the normal minimum is $1 million.

Funds in the Federated family that carry $25,000 minimums can be bought with as little as $1,000 through Schwab, and Cohen & Steers Realty, a real estate investment trust that normally requires $100,000, is available for a $2,000 investment.

"There used to be more of them," said Tom Taggart, a Schwab spokesman, "but a lot of institutional funds have either joined the ranks of retail funds in the way they price things, or they have shunned retail investors altogether because they've got enough assets from them. Normally, funds will lower minimums for supermarket programs like Schwab's to get retail investment dollars. It just depends on the direction of the fund family. If they've got enough retail assets, they'll raise minimums far above the amount that most retail investors can afford."

Whether they make purchases through supermarkets or the multiclass system, investors can usually buy only the high-minimum funds that managers want to sell them. It is possible, although probably not common, to invest in others through brokers or financial advisers who buy the funds themselves, then share them with several clients.

"There is no regulatory problem if a broker opens an account in the firm's Street name on behalf of several individuals whose investments together make the total required minimum investment," said John Collins, a spokesman for the Investment Company Institute, the American fund industry's trade association. "We have no idea whether the practice is common, but there is nothing either of a regulatory nature or of a bookkeeping complexity to prevent it."

Financial advisers say there is little call for such a service because there are enough suitable funds with low minimums. So there is no need to sift through client files to find similar investment objectives and risk profiles.

Few fund companies would object to the idea. High minimums are often imposed on funds with risky investment objectives that managers would prefer to sell to institutions or to well-off individuals using the advice of brokers or independent advisers. Whether a broker buys for one client or several is of little consequence.

"If Rothschild's comes to us and invests $25,000, that's fine, we put it in Rothschild's name," said Anna Rickards, a spokeswoman for Foreign & Colonial Emerging Markets. "If they want to divide it up among their clients, they can."

Foreign & Colonial has a series of Luxembourg funds with minimums of $5,000 to $25,000 that target places like Colombia, India, Russia and Taiwan and must be bought through a broker.

"It's to provide protection for individuals on the street," Ms. Rickards said. "We don't want someone putting all his money into Colombia."

For further information, call:

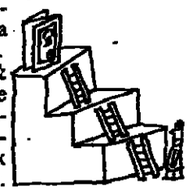
- CHARLES SCHWAB, 1 800 366 5623 in the United States.
- MORGAN STANLEY, *44 171 425 8701.*

One Fund's High-and-Short Strategy

To Play, Investors Need Large Minimum and a Stomach for Trading

By Conrad de Aenlle

MUTUAL-FUND managers generally tell shareholders to invest for the long term, giving this advice even to clients who spend all day trading in and out of various securities positions. But at the Rydex Ursa fund, things work in reverse.



Ursa is an anti-Standard & Poor's 500 index fund; the intention is to achieve a proportionate gain for any decline in the benchmark index of large American stocks. While the managers seek to keep a constant portfolio, except for rollovers of futures contracts, the fund's owners seldom buy and hold, using Ursa for short-term hedging or speculation. "Tactical asset allocation" is how Robert Steele, vice president for product development and sales for Rydex Series Trust, put it.

Rydex requires a $25,000 minimum investment, or $15,000 when bought through an independent, fee-based financial consultant. The minimum was set at a level the managers thought would restrict ownership to institutional investors and to those acting on the advice of professionals.

Allowing smaller, unsophisticated investors into the fund, especially knowing that they, like the larger shareholders, would engage in frequent switching in and out, would make Ursa too expensive to operate.

"Retail shareholders are expensive to service; the high minimum does tend to ward off some of that retail business," Mr. Steele said. "We build all our products and services around advisers. There are economies that can be realized; you can have smaller accounts linked to one group number. It's easier to stomach on our part."

Even with only large accounts, Ursa's brain trust must stomach a lot of trading. At the beginning of March, the fund had $290 million in assets. Then the market tanked and assets built up to more than $500 million at the bottom in mid-April. A couple of days ago, they stood at $638 million, as skeptics used the fund to sell into the rally on Wall Street.

"There's volatility, but there's less than there used to be," Mr. Steele said. The fund, he said, works with more than 400 registered investment advisers, "who all have different black boxes" that flash buy and sell signals in the market.

Ursa does not actually hold short positions on stocks in the S&P 500. Instead, it sells futures contracts on the index with a nominal value roughly equal to the fund's net assets. Because the contracts are highly leveraged, with traders required to put up a small fraction of their value, most of Ursa's assets are kept in cash instruments earning interest.

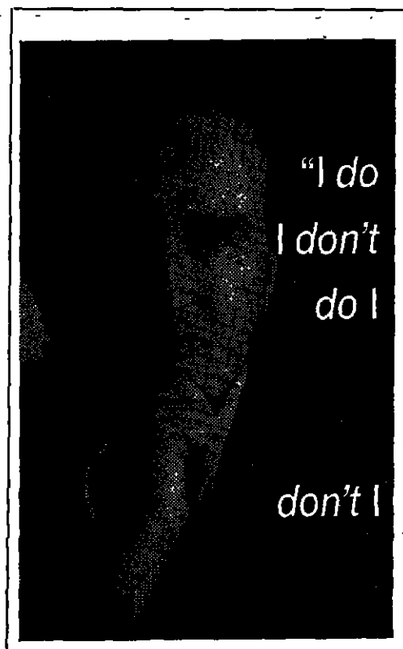
Futures contracts usually carry premiums to their true worth that erode as expiration nears. Anyone selling a contract will turn a small profit if the index is at the same level when the contract expires.

In the three years through April 24, the S&P 500 returned 85 percent, equivalent to a 46 percent fall in a fund like Ursa, and even more with expenses deducted. Because of the interest and futures premiums earned, the fund actually fell 32 percent, according to Lipper Analytical Services.

Not bad, but not nearly as good as not being in the fund at all.

For further information, call:

- RYDEX URSA, 1 301 468 8520, or, in the United States, 1 800 820 0888.



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THE MONEY REPORT

Q & A / **Dan Fuss**

Bond-Fund Performances That May Outdo Equities

DAN FUSS manages the top-ranking U.S. bond fund, according to Lipper Analytical Services. That may not mean much to equity investors, many of whom have long enjoyed higher returns than bond-holders could imagine. But they may be in for a shock: Mr. Fuss is confident that over the next two years bonds will outperform equities, even if interest rates decline.

His $668.2 million Loomis Sayles Bond fund achieved a total return of 11.11 percent for the year to March 31, compared with a 4.96 percent industry average. That was no flash in the pan: Over the past five years, the fund has returned an annualized rate of 13.49 percent, more than half again the industry average of 8.08 percent, as measured by the Lehman Brothers Corporate Bond index. Mr. Fuss is head of bonds at Boston-based Loomis Sayles and manages $9.7 billion in fixed-income assets. He talked with Aline Sullivan.

Q. Who buys this fund?

A. It was originally available only to institutions with more than $1 million to invest but is now open to individuals who put in $2,500 or more through a broker such as Charles Schwab. It is open to buyers outside the U.S. but usually their tax consequences keep them out. For that reason, we are launching a similar fund in Dublin. I hope that it will be available this summer.

Q. Morningstar rates the fund five stars, its highest rating. It also warns that the risk is "higher than average." How great an appetite for risk should your investors have?

A. I am actually risk-averse. The risk that I am averse to is that interest rates will go down. I hope for higher rates, but I think there is a better than 50-50 chance that long Treasury bonds will drop to five and a half percent in the next year [from about 7 percent now]. The Federal Reserve knows that inflation is there but has no figures to prove it and can't raise rates without them. I feel very sorry for the people working there.

Q. Shouldn't lower interest rates be good news for the equity market? How do you expect bonds to outperform equities if interest rates decline?

A. Bonds are a terrible thing unless you want a nice level of income. If you want long-term growth you should generally go with equities. But I think bonds will outperform stocks for a few years in the U.S. and most other countries because stocks are so expensive now. U.S. bonds in particular look very cheap by comparison.

•

Q. You are lauded as achieving near-equity returns with your bond investments. To what do you attribute this success?

A. People figure that I am something I am not. I am not managing the Green Bay Packers. It is all about buying the right bonds.

We have had good numbers, partly because we have been long and long bonds have outperformed short bonds and because we tend to be very heavy in corporate bonds, which have outperformed Treasuries. We also focus on discount bonds and convertibles. But mostly we do our homework every day.

Q. What proportion of your funds are invested overseas and how is that proportion likely to change?

A. Eighty percent [of the fund's assets] is supposed to be denominated in U.S. or Canadian dollars. Right now that figure stands at 92.4 percent, which is fine. The world has become so Yankeefied in the six years that the fund has been going that staying in dollars is not a problem.

Dan Fuss: Just buy the right bonds.

But 80 percent is also supposed to be in investments domiciled in the U.S. or Canada. That figure is now 80.6 percent, and I would like to see it go lower. The bond market has become global and a number of sovereigns are well worth buying. There are also some investment-grade corporate issues, such as some in Argentina, that are more attractive than sovereigns.

•

Q. At age 63, do you feel that you have a perspective on market fluctuations that many of your younger counterparts lack — apart from your much-publicized preference for handwritten ledgers and slide rules over computers?

A. I try to find reasons that old age is good and there are a few. I see a lot of people who have only known declining rates but for most of my first 20 years of work, rates only rose. That was a lot easier, of course. But I also know how low rates can go: the first long Treasury I bought was priced at par at three-and-a-half percent. That was in 1958.

Q. Any plans to retire?

A. My dad lived to 95 and my grandfather didn't retire until 95. I want to celebrate my 100th birthday at work.

Now Get Prepared for a Real Bear

JAMES GLASSMAN *ON INVESTING*

"NOTHING IN life is so exhilarating as to be shot at without result," wrote young Winston Churchill. He was referring to his adventures in India, but he might have been referring to the great disappearing bear market of early spring 1997.

Below 6000 as recently as six months ago, the Dow Jones industrial average hit a high of 7085 on March 11. A month later, on April 11, it had skidded to 6391, and my friends who have been screaming doom and gloom in their financial newsletters for the past two years were beside themselves with joy. But Friday we were back over 7000 again.

Not only was the recent episode not a bear market, it was not even a decent correction, in a technical sense, since the decline never reached 10 percent. It amounted to 9.8 percent of the value of the Dow — the equivalent of a stock falling from $50 to $45. It lasted precisely one month. It was a breeze.

Now, it's time to think about a *real* bear market. I say this not because I'm certain one is near, but because I worry about investors becoming complacent, patting themselves on the backs and grinning with satisfaction over having survived this brush with danger.

Investors are their own worst enemies. The worst thing they do when they see the price of a stock slide is to sell it. If a stock were anything else (say, a shirt) and its price fell, a typical person would not clear out his closets and hold a yard sale; he would go out to the store and take advantage of the bargain.

The most startling fact about bear markets — which are defined as declines of 20 percent or more on the Dow — is that there has not been one in seven years. The bear market of 1990 began in July and ended in October. The Dow fell 21 percent, and fully recovered its losses six months later.

That was mild. Most bear markets are rugged. Since 1956, we have had nine of them — an average of one every four or five years. The typical downturn has lasted 12 months; recovery, 33 months. What this means is that if your timing is bad, it will take four years on average to get back even with stocks you bought at the start of the bear market.

For this reason, investors should not own stocks if they need the money within five years. In fact, my own rule is that stocks require a seven-year commitment and preferably 10. From 1932 to 1995, there has never been a 10-year period in which stocks lost money.

With a longer time horizon, history shows you have little to worry about. Since 1802, the worst 30-year period ever produced a annual average real return of 2.6 percent. Average stock market returns are about 8 percent — the equivalent of about 11 percent with today's inflation. In 30 years, the purchasing power of an investment will grow more than eight-fold.

TIME IS YOUR best ally in the market. But only if you have the patience to take advantage of the miracle of compounded earnings. The real question is whether you have the nerve to ride out a bear market like the one that began on Jan. 5, 1973, with the Dow at 1047, and ended on Dec. 6, 1974, with the Dow at 578. That's the equivalent of the Dow falling to about 3850.

Some investors simply don't have the stomach to ride out turbulent bear markets. It's better to recognize such weakness now, before the bear begins. If you fit this category, one of the best steps you can take is to reallocate your portfolio from all stocks to a mixture of stocks, bonds and government bills. (the equivalent of a money-market fund).

Using data from Ibbotson Associates in Chicago, Vanguard Group, the mutual-fund organization, presents a chart that shows how different model portfolios fared during hard times.

An all-stock portfolio (assuming the investor owns the 500 companies in the Standard & Poor's index) produced an average annual return of 10.7 percent from 1926 to 1996. But in 20 of those 71 years, the portfolio suffered a loss; average decline, 12 percent; decline during the 1973-74 bear market, 37 percent.

With a "moderate-growth" portfolio comprising stocks (60 percent) and long-term U.S. Treasury bonds (40 percent), the average yearly return falls to 8.9 percent, but risk also falls. Losses occurred in 16 of 71 years, but they averaged just 8 percent. The 1973-74 decline was 22 percent.

Finally, look at a "conservative growth" portfolio comprising stocks (40 percent), bonds (40 percent) and T-bills (20 percent). The average annual return is 7.6 percent; losses came in 15 of 71 years, with an average of 5 percent. The loss in 1973-74 was 12 percent.

The difference between the all-stock and conservative-growth portfolios is three percentage points a year. That doesn't sound like much, but it mounts up. An investment in the more aggressive portfolio quadruples in value in about 14 years; in the safer one, 20 years.

But, with the safer portfolio, you are likely to have patience to ride out a bear market without selling at the bottom.

The Washington Post.

Emerging With a Long, Great Return

By Aline Sullivan

FEW LONG-TERM investments are as promising as emerging markets. Russia and the former Soviet republics, known for good reason as the "Wild East," the embryonic markets of Vietnam and Burma and what Paddington Bear described as "darkest Peru" may all look decidedly risky today. But in 20 years, they may be perceived as having been obvious choices.

Illiquid stock markets, inefficient companies, opaque accounting practices and a hefty dose of political and economic uncertainty send most long-term investors scuttling for the relative safety of the developed world. But for those able to stomach the risk and the often dramatic fluctuations inherent in emerging markets, the rewards could be magnificent.

"Emerging markets with large populations which want to get richer are particularly exciting," said Geoffrey Dennis, global emerging-markets strategist at HSBC James Capel in New York.

"Look at the Philippines and Indonesia, both of which have started to do really well," he added. "Now we have great hopes for India, China and Brazil."

Many fund managers and analysts reserve their greatest accolades for the burgeoning Russian market and its neighbors.

Mr. Dennis, for example, identified tremendous opportunity for investment in what he calls the extended Eastern Europe: the Ukraine, the Caucasus region, Kazakhstan and, of course, Russia.

Certainly, the Russian market has been among the world's most profitable in recent months. Russian stock indexes are up roughly 60 percent so far this year following big gains in 1996.

"Russia has the same potential that Japan had 40 years ago," said John Paul Smith, emerging Europe strategist at Morgan Stanley & Co. in London. "It has some of the cheapest assets we have ever seen and tremendous resources."

Russian oil reserves are valued at well under 50 cents a barrel, he said. That compares with at least $6 per barrel for reserves held by Western companies. Despite recent gains, major oil and energy companies, such as Unified Energy Systems, are still trading at two to three times current earnings, compared with 20 times and more among their Western counterparts.

If that seems too good to be true, it may be. In 20 years, an investment in Russia or any other emerging market could prove almost worthless. Investors in Turkey, Thailand and Mexico have made and lost a fortune, while those in most of Africa never had much cause for hope. Almost any investment made two decades ago in Lebanon or Algeria has been disappointing.

"The problem with many emerging markets is that they are so shallow and illiquid, as well as fraught with political risk," said Mr. Dennis.

But he was fairly sanguine about the prospects in Eastern Europe and Central Asia.

"The natural resources in countries like Kazakhstan will always be there at the end of the day," he said. "Whether you own them is another matter, of course, but I think some of the political risks in Russia and some of her neighbors have been overdramatized."

Other analysts have applied the same reasoning to Brazil, also rich in natural resources but plagued by political uncertainty. President Fernando Henrique Cardoso's plans to serve up about $30 billion in asset sales by 1999, when his first term ends, appear to be a moveable feast. First to go are supposed to be electricity and telecommunications companies, followed by the railroads, ports, mining company and banks. But progress has been slow.

Ondine Smulders, Latin American strategist at HSBC James Capel in London, suggested buying Brazilian electrical and telecom stocks, two relatively safe investments for the long haul.

The opportunity for growth makes these a good buy almost anywhere in the region. For example, each telephone line in Latin America serves on average only 10 people, compared with about 50 in Western Europe and 60 in America. The average productivity is 200 lines per employee, against 330 in the United States.

THERE ARE rich pickings in other Latin American countries, thanks to a slow recovery from the aftermath of the Mexican peso's collapse in December 1994.

"In Mexico, choose export-driven stocks that will benefit long term from the country's participation in NAFTA," Ms. Smulders said, referring to the North America Free Trade Association, "and in Chile, choose consumer-oriented stocks in companies that are using their experience to branch out to less developed Latin American markets."

Halfway around the world, the outlook is similar.

Mark Madden, manager of the $140 million Pioneer Emerging Markets Fund in Boston, recommends buying shares in Bangkok Bank, which will be able to apply the expertise gained in Thailand to its less-developed neighbors.

"There are almost 300 million people in Indochina and most are incredibly poor," he said. "The bank will be among the first to benefit from lending on infrastructure projects in the region."

Choice Stocks From America's Midwest

By Timothy Middleton

Much of the Upper Midwest in America was under water in April, as was a mutual fund that invests heavily in the region. But a stock market rally in the final days pulled the fund out of the red — a rebound that has been far easier than that of the flooded communities along the Red River in Minnesota and North Dakota.

Mairs & Power Growth, based in St. Paul, Minnesota, now has a gain for the year, and positive territory is what the fund's shareholders have come to expect.

The fund is relatively obscure — it is available to investors in only 11 states, including New York and California, and not through any fund supermarket — but it has an impressive record. It has outperformed the Standard & Poor's 500-stock index for each of the last seven years.

George A. Mairs 3d, 68, has managed the fund for the last 17 years in the style his father established in 1931, when he began Mairs & Power Inc., a money-management firm. The fund's holdings are few, only 33, and Mr. Mairs knows each well. Four out of five companies are based in the Twin Cities, and most of the rest are Midwestern. "We have followed these companies, in some cases, for a couple of generations," he said.

"We attempt to find attractive companies demonstrating predictable growth, a high return on equity and a strong balance sheet," he said, "and to buy them when they are somewhat undervalued relative to the overall market."

A big cash inflow, which has nearly tripled the fund's assets in the last year, to $200 million, has sent Mr. Mairs on a buying spree.

Emerson Electric is one of only seven of the fund's holdings without headquarters in the Twin Cities. The company, based in St. Louis, makes electronic products, mainly for industry.

Mr. Mairs said he was drawn to Emerson 35 years ago, when it was already displaying steady growth. "This company has had uninterrupted earnings-per-share growth for the last 39 years; that is perhaps the longest period of uninterrupted earnings-per-share growth of any industrial company in the United States," he said. "It has also increased its dividend in each of the last 40 years."

Emerson flies below the radar of many growth managers because its average growth rate is about 10 percent a year, and aggressive investors have been looking for 15 percent. Profits rose 12 percent in 1996, and Mr. Mairs expects an 11 percent gain this year.

Another of the fund's top positions, is Medtronic, and Mr. Mairs said he was buying shares.

Medtronic, the maker of pacemakers and other implantable medical devices, is based in Minneapolis. "This is a company that we think can grow revenues at 15 percent or better, and earnings per share at 20 percent or better, for the foreseeable future, which is five years in my book," he said.

Medtronic's price is about 30 times per-share earnings of the last 12 months, or 1.5 times the level of the overall market. But Mr. Mairs said the premium was more than justified by exceptional growth. " At year-end 1972 it sold at 72 times its trailing earnings. That was a high market. This is not."

The third-largest holding, Norwest of Minneapolis, is the 12th-largest U.S. banking company and is highly diversified. About a quarter of its profits come from a consumer-finance unit and 12 percent from mortgages; it is the nation's largest originator of home loans. Its return on equity is 22 percent and has been in Mr. Mairs's portfolio for 37 years.

Financial stocks slipped after the Federal Reserve raised short-term interest rates in March., but Mr. Mairs said he wasn't worried about Norwest. "A lot of their earnings today are from fee income, particularly in their mortgage business," he said. "It's our feeling that this company can continue to grow earnings at 12 percent even in a somewhat higher interest rate environment."

New York Times Service

BRIEFCASE

Telebras Keeps Coming Up Rosy

How far is up? A Money Report reader in Britain has written to inquire whether it is too late to buy Telecomunicacoes Brasileira SA, given its spectacular price run-up in the past year. Shares of the telephone company, known as Telebras, were at $60 in June, when the Money Report ran a story on investing in Brazil's utility privatizations. They have since soared to $110.

Nevertheless, there is mileage left in Telebras, said some analysts, who are projecting anywhere from $140 to $150 a share over the next 12 months.

"It's woefully undervalued, and still the least-expensive telephone company in Latin America," said Raymond Liguori, who follows Telebras for Merrill Lynch & Co. He said a "huge" rate increase in November 1995 drove the company's performance during 1996. Only a few weeks ago, a rate restructuring was announced that will reduce long-distance rates but boost by 60 percent the rates of local calls, which have a far heavier volume. The restructuring also will raise monthly fees.

Mr. Liguori suggested that individual investors buy and hold Telebras through its full privatization, scheduled for 1998. Once that has happened, he said, the company's value will be further enhanced as foreign telecommunications groups become investors, vastly improving efficiency and purchasing pieces of the company, such as its cellular phone operation.

Is there any downside in this rosy picture?

"Telebras is a proxy for the Brazilian economy," Mr. Liguori said, "and if anything happens there, it will bear the brunt of bad economic news." Investors will also need patience, since he thinks the privatization is likely to be delayed to 1999. Still, he added, "It's moved from the point of whether privatization occurs, to when."

Depositary receipts for Telebras are listed on the New York Stock Exchange and the London Stock Exchange.

(IHT)

Nation by Nation, Easy Isn't Best

For those international investors looking country by country for equities, some of the easiest markets to play in get poor reviews from Marvin Zonis, a professor at the University of Chicago's business school and a consultant on international economics, political risk and investing.

Mr. Zonis said he was confident that the European Union would persevere with its plans for monetary union, which he says means that its member states' economies "are not going anywhere for a very long time." The reason, he said, is that European political leaders had been "dragged" into the economic and monetary union plans by Chancellor Helmut Kohl of Germany and would not be able to stimulate growth.

The goals of monetary union, he said, were political, not economic, and he said German reunification provided an instructive example.

"Chancellor Kohl could not care less about economic development," Mr. Zonis said. "You remember, he is the guy that brought East Germany into West Germany on the basis of one East German mark for one West German mark. That is not because he thought it would be good for the economy of West Germany; he was not interested in the economy. He was interested in the unification of the German people."

"This deal is Chancellor Kohl's commitment to ending war in Europe," he said, "and if it requires a decade or two decades of economic hardship, he could not care less."

His view of Eastern Europe is equally bleak. For the foreseeable future, he said, "Russia is not going anywhere, either," because the state is "too weak to create the framework of a market economy." Without an effective central government able to collect taxes and enforce laws, the country will have "bandit capitalism," not an investor-friendly environment, despite the recent gains in Russian securities.

Looking to Asia, he predicted a recession in Japan this year. He cited the government's cautious fiscal policy, including an increase in the national sales tax, and said Japanese companies "are not spending money on business investment — they're all moving to Malaysia."

"My own sense is that there is an arc of countries beginning in Korea" he said, "and extending down to Hong Kong, Singapore, Malaysia, Indonesia and Thailand, that have been the miracle economic stories — including Taiwan — for the last 30 years, and they're all coming to an end."

So where does he see growth? In India, which is moving toward a market economy. "India will be more successful than China over time," he predicted. "I'm very impressed by India's human capital; Indian entrepreneurs are very successful, Indian scientists and engineers — these guys have it."

Some countries in Africa, he said, would benefit from the black community in the United States making a domestic political issue out of helping their economies. Among the countries he said were good bets were South Africa, plus "places like Ghana and Uganda, which are already beginning to be economic success stories."*(IHT)*

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WORLD ROUNDUP

Rosset Is Victorious

TENNIS Marc Rosset of Switzerland, fighting the flu, hung on to oust second-seeded Carlos Moya in straight sets Friday to reach the semifinals of the BMW Open in Munich. Rosset, seeded seventh, won the key points in a match that was plagued with errors by both players. He beat the Spaniard, 7-5, 7-6 (7-5).

Rosset, ranked 19th in the world, is to face Alex Corretja of Spain in the semifinals Saturday. Corretja, seeded fifth, posted a 5-7, 6-2, 6-1 victory over Martin Sinner of Germany.

Another big server, eighth-seeded Mark Philippoussis of Australia, also reached the semifinals by struggling past Andrea Gaudenzi of Italy, 7-5, 4-6, 6-4. He is to take on Slava Dosedel of the Czech Republic, the defending champion, who ousted Frederik Fetterlein of Denmark, 7-5, 6-4. *(AP)*

Martinez Loses in 3 Sets

TENNIS The unheralded Maria Sanchez-Lorenzo of Spain beat her idol and compatriot, Conchita Martinez, in three hard-fought sets to reach the semifinals of the Rexona Cup in Hamburg on Friday.

Sanchez-Lorenzo, ranked No. 121 in the world, warded off four set points while down 1-5 in the first set, then ousted the 1994 Wimbledon champion, 7-5, 5-7, 6-2. Martinez, who was seeded second in the tournament, is ranked No. 6 in the world.

"Conchita Martinez is my idol — I admire her," said Sanchez-Lorenzo, 19. "Still, I knew I could surprise everyone against her."

Sanchez-Lorenzo is to face Iva Majoli, the No. 4 seed, who struggled to a 2-6, 6-4, 6-4 victory over fifth-seeded Mary Pierce of France. The other semifinal Saturday pits Ruxandra Dragomir of Romania against 17-year-old Anne Gaelle Sidot of France. *(AP)*

Traylor Is Staying Put

BASKETBALL The University of Michigan's star sophomore forward, Robert Traylor, has changed his mind about entering the NBA draft this year and plans to spend another season at Michigan.

"I never fully said I was going anywhere," Traylor told The Ann Arbor News on Friday. "There are a lot of different reasons, but right now I'm not prepared to talk about it." The 6-foot-8-inch (2-meter), 300-pound (136 kilogram), Traylor had reportedly decided earlier this week to leave Michigan for the NBA.

Traylor called off a news conference he had scheduled for Friday afternoon at Murray-Wright High School, his alma mater, and planned instead to talk with Michigan's coach, Steve Fisher, according to Murray-Wrights' athletic director, Robert Glenn.

Glenn said he agreed with the decision to stay in school, adding that Traylor could improve his standing as an NBA prospect with another year of experience. *(AP)*

Inter's Heartening News

SOCCER Inter Milan's 20-year-old Nigerian attacker, Nwankwo Kanu, has been cleared by doctors to return to professional soccer after undergoing heart surgery in the United States five months ago, the Italian club said Friday. Inter said it had received a medical bulletin from the Cleveland Clinic, in Ohio, earlier Friday that detailed the African Player of the Year's condition and progress. *(Reuters)*

Hardaway Broils Heat

Orlando Ties Series With Miami

By Clifton Brown
New York Times Service

ORLANDO, Florida — Anfernee Hardaway has been brilliant. The Orlando Magic's comeback has been shocking. And if the Magic beat the Miami Heat again, it will complete one of the most dramatic playoff upsets in National Basketball Association history.

Carried by Hardaway's heart and talent for the second straight game, the Magic beat the Heat on Thursday night, 99-91, at Orlando Arena, to even their three-of-five-game, first-round series, 2-2. Game 5 will be played Sunday at Miami Arena, where the Heat will have the home court, but the Magic will have the momentum.

With the crowd at Orlando Arena going wild, the Magic built a 14-point halftime lead and controlled play the rest of the way, led by Hardaway, who has turned in back-to-back games that Michael Jordan would be proud of — 41 points Thursday night following 42 in Game 3.

Few people gave Orlando a chance in this series after Miami won the first two games by an average of 25 points. Orlando had been severely outplayed, the team was hobbled by injuries, and the Magic players looked as if they were was headed for vacations.

But Hardaway has lifted his game to another level, raising his teammates with him. Meanwhile, the Heat have lost their composure and confidence, looking nothing like a team that had the league's best road record (32-9).

Only five teams in league history have recovered from a 2-0 deficit to win a five-game series, but Orlando hopes to be No. 6. The winner on Sunday will face the Knicks in the second round — a matchup that the Miami coach, Pat Riley, and his team desperately want. But the Heat have been guilty of looking ahead, and Orlando has made Miami pay.

Derek Strong, Darrell Armstrong, Gerald Wilkins and Danny Schayes have stepped forward in place of the injured Rony Seikaly and Horace Grant. Orlando grabbed early momentum, and the noisy crowd loved it, chanting "Beat the Heat. Beat the Heat."

A jumper by Tim Hardaway pulled Miami to 94-89 with 2 minutes 13 seconds left. But after an Orlando timeout, the Magic went to Penny Hardaway, who was fouled by Jamal Mashburn with 1:55 left. Hardaway made one of two fouls shots to give Orlando a six-point lead. Then Alonzo Mourning, who had 23 points and 13 rebounds, lost the ball on Miami's next possession, and Orlando hung on.

So Miami left town Thursday night in danger of ruining a terrific season. The Heat won 61 games and the Atlantic Division, but if they do not win Sunday, Riley will be watching the rest of the playoffs on television.

The Associated Press reported:

SuperSonics 122, Suns 115 Phoenix was revitalized by an amazing shot by Rex Chapman. The lift just didn't carry over into overtime.

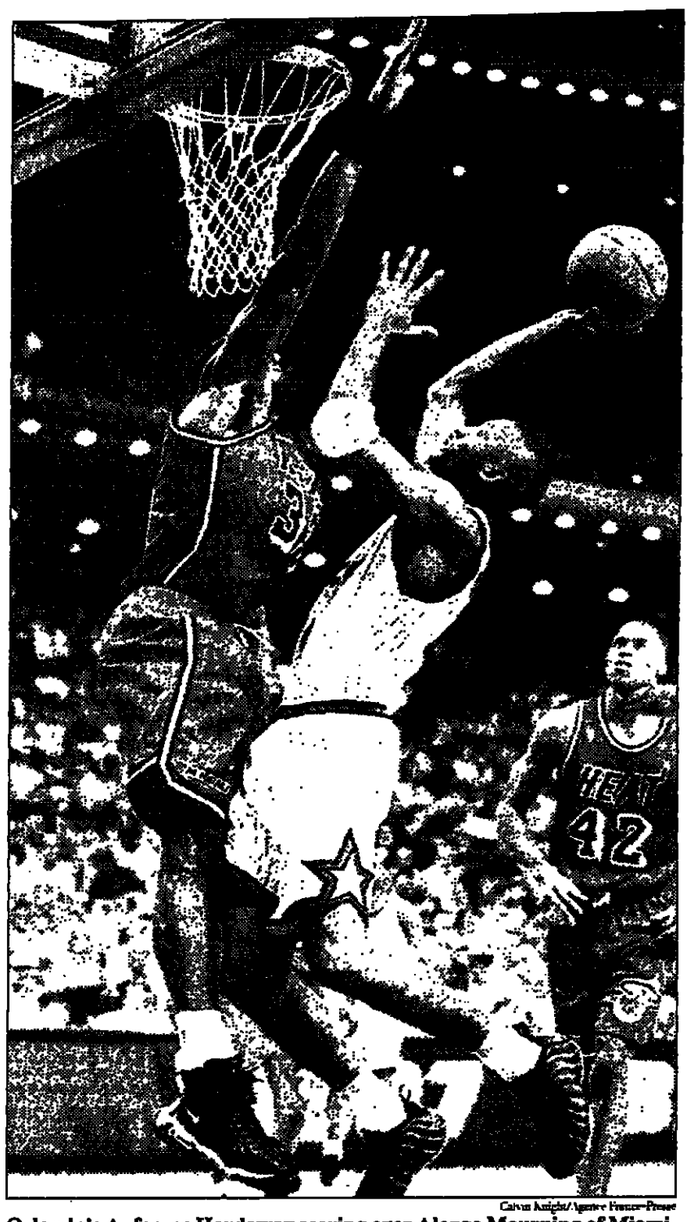
After Chapman's off-balance, running 3-pointer tied Seattle with 1.9 seconds left in regulation, the visiting SuperSonics rallied in overtime to beat the Suns and stay alive in the NBA playoffs.

"We didn't lose our composure this time, which I think is probably the key in all the games we lost," Sam Perkins said Thursday night after the Sonics tied the series at 2-2 and sent it back to Seattle for a deciding Game 5 on Saturday.

Detlef Schrempf and Hersey Hawkins hit 3-pointers in overtime, and Shawn Kemp, after making six free throws in the last 38 seconds of regulation, hit two more foul shots to put the game out of reach.

Kemp had 24 points and tied his playoff career high with 20 rebounds.

"When you have your back against the wall, you don't have much choice," he said. "We had to come out tonight and perform."



Calvin Knight/Agence France-Presse

Orlando's Anfernee Hardaway scoring over Alonzo Mourning of Miami.

Stich, Citing Bad Shoulder, To Quit Tennis In September

The Associated Press

HAMBURG — The German tennis star Michael Stich said Friday he would retire at the end of the season because of a worn-out shoulder.

Always laboring under the shadow of compatriot Boris Becker, Stich was ranked No. 2 in the world in 1993, but he has dropped to 26th.

The 1991 Wimbledon titlist and 1993 world champion said he had thought about retiring after an injury in late 1995. A first-round defeat at a Barcelona tournament last month triggered his decision, announced at a news conference where he choked back tears.

"It all comes down to this point: It's not fun any longer, it doesn't make sense any longer," said Stich, 28. "The last four months were frustrating. There were constant ups and downs."

Stich said he would enter this year's French Open and Wimbledon tournaments before ending his career in Germany's Davis Cup relegation series against Mexico in September.

In 1993, Stich helped Germany win the Davis Cup. He has won 18 ATP tour singles titles and nine in doubles.

Stich and Becker were bitter rivals for the affection of the German public, despite teaming up to win Olympic gold in the doubles at the 1992 Barcelona Games. Even in 1993-94, when Stich supplanted Becker as Germany's top player, spending a long stint as the world No. 2 behind Pete Sampras, he never gained the adoration Becker did.

At tournaments in Germany, Stich was bitter because the crowds overwhelmingly rooted for Becker. "I think we learned from each other — maybe if Becker hadn't had me, he might have gotten bored with tennis," Stich said. "But I expected more recognition for my accomplishments from the public and media than I ever got."

Stich's downfall began Oct. 20, 1995, when he tore a ligament in Vienna playing Todd Woodbridge. A chronic right shoulder injury added to his misery.

Stich's last major successes were reaching the French Open final last year, losing to Yevgeni Kafelnikov, and the 1994 U.S. Open final, where he lost to Andre Agassi. Stich said Friday: "My physical condition is the main reason for my departure. I can't meet my expectations or those of others anymore."

Stich is the first of Germany's big three tennis stars to quit. Becker and Steffi Graf are also nearing the end of their careers, and no similarly spectacular generation is waiting in the wings.

"It's very sad news," said Claus Stauder, head of the German Tennis Federation.

■ Honeymoon Over for Agassi

Andre Agassi, married two weeks ago to actress Brooke Shields, tumbled out of the AT&T Challenge with his sixth loss in seven ATP Tour matches. The Associated Press reported from Duluth, Georgia.

Magnus Norman, a 20-year-old Swede, brushed aside Agassi on Thursday night, winning, 7-6 (9-7), 3-6, 6-3, with an 18-ace performance in the second round of the clay-court tournament at the Atlanta Athletic Club.

The fourth-seeded Agassi, who will be fined $1,000 for skipping the post-match news conference, joined a growing list of seeded players eliminated in the first two rounds, including top-seeded Michael Chang and No. 3 Jim Courier.

In other matches Thursday, Petr Korda of the Czech Republic beat Johan Van Herck of Belgium, 6-4, 1-6, 6-3; Jason Stoltenberg of Australia edged Juan Albert Viloca of Spain, 6-1, 7-5; and Fernando Meligeni of Brazil beat Dennis van Scheppingen of the Netherlands, 6-3, 7-6 (7-1).

Back From the Bullpen, McDowell Shines Over A's

The Associated Press

Jack McDowell made a nearly flawless return to the starting rotation, and David Justice hit two of Cleveland's four homers as the Indians beat the visiting Oakland Athletics, 7-1.

In his first start following a demotion to the bullpen, McDowell (2-2) allowed one run on three hits in seven innings and struck out nine on Thursday night. He fanned Jose Canseco to end the sixth and Mark McGwire to start the seventh during a string of four straight strikeouts.

Mike Jackson relieved McDowell in the eighth and got the last six outs.

Orioles 3, Twins 2 Scott Erickson allowed five hits over 8⅓ innings and B.J. Surhoff drove in two runs as surging Baltimore handed host Minnesota its eighth straight loss.

Erickson (4-1), who pitched eight shutout innings against Boston in his last start, gave up only Chuck Knoblauch's infield single through six innings.

Randy Myers got the last two outs for his 11th save in 11 opportunities.

Royals 8, Blue Jays 0 Jose Rosado pitched 7⅔ shutout innings and Jay Bell and Jose Offerman drove in three runs apiece as Kansas City blanked visiting Toronto.

Rosado (2-0), who has lost three potential victories this year because of poor relief pitching, gave up only three hits, struck out five and walked four. He lowered his ERA from 2.59 to 2.08.

Angels at Red Sox Postponed by rain after 4½ innings.

In the National League:

Pirates 3, Giants 2 The Pirates reached .500, evening their record at 13-13, with their victory over visiting San Francisco.

Dodgers 5, Phillies 0 Todd Zeile used his return to Philadelphia to return to his usual hitting form.

Zeile, who hit 20 homers and drove in 80 runs for the Phillies last year, hit a two-run homer and Pedro Astacio pitched the Dodgers' first complete game of the season as Los Angeles beat Philadelphia.

Expos 4, Astros 0 Pedro Martinez pitched a three-hitter and lowered his ERA to 0.31, leading host Montreal over Houston.

Martinez (4-0) has not allowed an earned run in 25 innings. He struck out nine and walked two in his first complete game of the season.

Cardinals 3, Marlins 2 Matt Morris, a rookie right-hander, retired the first 17 batters he faced and allowed four hits in 7⅓ innings as host St. Louis beat Florida for its fifth straight victory.

Morris (1-1) had a perfect game until Marlins pitcher Alex Fernandez, who is 4 for 13 this year, doubled with two outs in the sixth. Morris left after Greg Zaun hit a two-run homer with one out in the seventh.

Dennis Eckersley worked the ninth for his sixth save in six chances, but the final out was Jeff Conine's liner to center with the bases loaded.

Rockies 5, Cubs 4 Dante Bichette and Quinton McCracken homered as Bill Swift and the Colorado Rockies beat the visiting Cubs.

Swift (3-1) allowed one run on only four hits in six innings. He struck out two and walked three.

Frank Castillo (1-4), who had a 2.87 ERA and won his two previous starts at Coors Field, gave up four runs in six innings.

Padres 7, Mets 3 Andy Ashby limited the host Mets to eight hits and cruised to victory, helped along by four home runs, two of them by John Flaherty. Ken Caminiti and Greg Vaughn also connected for the Padres, and Tony Gwynn had three hits and a sacrifice fly.

Braves 4, Reds 2 Atlanta, which set a major league record with 19 victories in April, started May with a victory at Cincinnati.

Michael Tucker, Javier Lopez and Ryan Klesko homered for the Braves. John Smoltz (3-3) pitched eight strong innings and Mark Wohlers escaped a two-on, one-out jam in the ninth to remain perfect in seven save chances.

The Reds' manager, Ray Knight, who admitted he wanted to get ejected to fire up his slumping team, was tossed in the fifth for arguing balls and strikes with umpire Wally Bell.

BASEBALL ROUNDUP

Tom Uhlman/The Associated Press

Javy Lopez of the Braves sliding into second with a double as Lenny Harris of the Reds was late with the tag. The Braves triumphed again.

Norway Rebounds at Hockey Championships

The Associated Press

TURKU, Finland — Late goals by Ohle Dahlstrom and Atle Olsen gave Norway a 2-2 draw with Italy and its first point at the ice hockey World Championships on Friday.

In another game, in Helsinki, Roger Dube scored two goals to lead France to a 2-1 victory over Germany in Group A and its first triumph of the tournament. Italy, which scored a pair of power-play goals in the first period, fell apart during the last 2:02 of its game against Norway. Dahlstrom, the Norwegian captain, scored on a power play, and Olsen drilled in the tying goal with 1:13 remaining, finding the net through David Delfino's pads with a slap shot from the blue line.

Italy had taken the lead with Bruno Zarrillo's third goal of the tournament at 9:00 of the first period, and his linemate, Robert Nardella, added the second goal at 12:47. Zarrillo and Nardella traded assists on the two goals.

"We never felt this game was in control even when we had the lead — Norway put pressure on us all the time," said Italy's coach, Brian Lefley. "We should be able to defend the lead better. It took too much power to kill our penalties."

Italy was outshot, 37-18. Both teams had 20 minutes in penalties.

Norway's coach, Brent McEwen, said his team also had a difficult time killing penalties.

"We deserved the point — my team showed a good effort and the players worked hard," he said.

Italy, which now has one victory, one draw and two losses, is to battle Canada on Saturday for a place in the medal round. Sweden and the United States already have made sure of advancing, and their clash Saturday will be for first place in Group B.

France jumped out to a 2-0 advantage on a power-play goal by Dube at 3:22 of the first period. Dube tallied again with 4:45 remaining in the second.

Marco Sturm prevented Germany from being shut out, finding France's net at 2:15 of the third period.

The victory left France with a record of 1-3, while Germany remained winless at 0-4.

Despite France's poor record, Dube is the tournament's leading scorer. His five goals have placed him ahead of Michael Nylander of Sweden, a former player for the Calgary Flames of the National Hockey League, who has four.

Since both teams were without a victory before their match, France and Germany will play in the relegation round.

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SPORTS

A Ballplayer Confronts The Shadows of Illness

Vantage Point/IRA BERKOW

New York Times Service

NEW YORK — Jason Isringhausen was a strong, healthy, right-handed pitcher for the New York Mets' Class AAA Norfolk team in the summer of 1995, a coming major-league star. But in a game in mid-July he ran into problems, got hit hard and was sent to the showers in the third inning. He lost, 7-1.

Nonetheless, the New York Mets, desperate for pitching help, and noting his 1.55 earned run average even after the shelling, called the 22 year old.

It is nearly two years later and Isringhausen has had triumphs and disappointments, as befitting nearly any young man, even one with the potential to fulfill his dreams. He has won in the major leagues, and lost; suffered injuries and returned to the minor leagues to sort himself out.

Frustrations are to be expected, although when you are young, strong and healthy — and impatient for success — they are tough to abide. But Isringhausen has also dealt with fear.

Last weekend, he went to an emergency room in Florida because he was having trouble breathing and had pains in his chest. X-rays showed an irregular mass in his lung.

The diagnosis, the Mets' team physician, John Olichney, said Thursday, is that the pitcher probably has tuberculosis. The doctors do not believe it is cancer. The malady is "very treatable" with various medications. There will be no surgery, and Isringhausen will not be hospitalized. The prognosis is for him to resume normal activities in six to eight weeks. Whether he will pitch again this season is uncertain.

As we have learned sadly in recent years, even the strongest are not immune from illness. A bitter contemporary roll call includes such people in the sports world as Arthur Ashe and Magic Johnson, infected with the virus that causes AIDS; Brett Butler of the Dodgers with throat cancer; Mario Lemieux of the Pittsburgh Penguins with Hodgkin's disease, and Pete Harnisch, another Mets pitcher, who suffers from depression.

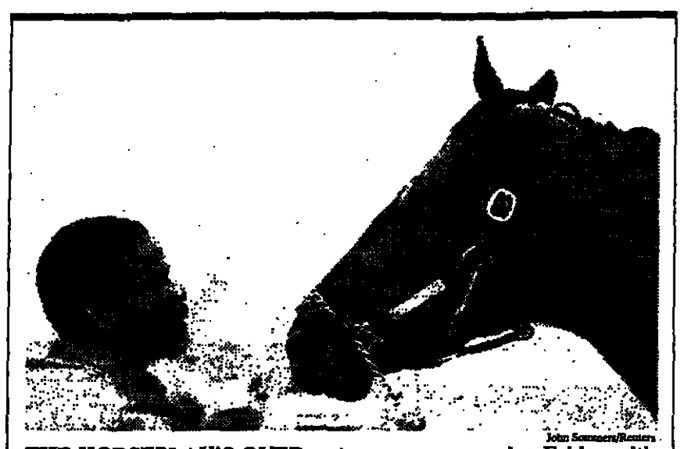
Never was there a more shocking instance of the inevitable frailty of the powerful than when a baseball player, nicknamed the Iron Horse because he was considered as mighty as a locomotive, fell desperately ill. He had mysteriously contracted a deadly disease, amyotrophic lateral sclerosis, to which he ultimately gave its name, Lou Gehrig's disease.

When Isringhausen came up to the Mets in the summer of 1995, he was a sensation. He had a 9-2 record with a fancy 2.81 ERA, and he finished the season with seven straight victories, falling one short of tying the Mets' record for victories in consecutive starts.

But he ran into difficulties last season, from lack of concentration in key moments, to control problems, to showing a neglect for developing his craft. He wound up 6-14 with a 4.77 ERA.

In September he had arthroscopic surgery for a shoulder tear and bone chips in his elbow. He appeared healthy this year and pitched in spring training, but then he and Bill Pulsipher, another young Mets pitcher returning from surgery, were sent to Norfolk for a month-long rehabilitation assignment. Pulsipher has looked extremely wild and is still not ready to return to the Mets. Two weeks ago, Isringhausen was knocked out of the box and, in his anger, smashed a garbage can and fractured his wrist.

But since he is now counting his blessings that an illness that could have been menacing to his life may just be a scary interlude, maybe those setbacks on the mound are mere bumps in the road.



John Sommers/Reuters

THE HORSEPLAY'S OVER— A groom communing Friday with Pulpit, a favorite to win the 123d running of the Kentucky Derby.

D.C. Reaches for 2008 Games

Compiled by Our Staff From Dispatches

WASHINGTON — Washington D.C. may be a city inundated with serious problems, but Mayor Marion Barry announced that the District would seek to be host to the 2008 Summer Olympics.

"We deserve it," Barry said Thursday. "This is the place to be."

Barry said the city had officially entered the bidding by sending a $100,000 check to the U.S. Olympic Committee, which will select the American candidates.

Washington will now compete with several other cities, including Baltimore, Cincinnati, Houston, New York, San Francisco and Seattle, that want to be the site of the first American Summer Games after the 1996 Olympics in Atlanta.

Barry appealed to Baltimore to join the District in a regional bid to hold the Games, with Washington as the lead city. Baltimore has spurned Washington's advances because it wants to advance its own candidacy.

Years of fiscal mismanagement at the local level led the U.S. Congress to create a financial control board for the District, a panel that has been the real seat of power in the city government since 1995. While the control board has slowly begun to improve the school system, police department and other city agencies, much work remains.

In recent months, the city has been rocked by the killings of three metropolitan police officers and the control board's support of efforts to save money by closing up to 18 schools.

Barry was asked how a city suffering with problems of that magnitude could win the favor of Olympic officials, who will decide late next year which — if any — American city would bid for the 2008 Games. But Barry sidestepped the question, ticking off the benefits that would accrue to Washington.

While many officials and community leaders hailed the effort, others found it insulting. "The idea that they might spend money for the infrastructure to build all that stuff is unbelievable to me," said Delabian Rice-Thurston, director of Parents United, a group that works for quality education. *(NYT, WP)*

2 Coaches, 2 Styles

Lemaire and Campbell to Duel

By Joe Lapointe
New York Times Service

NEW YORK — Jacques Lemaire, a 51-year-old French-Canadian from Quebec, was a star center on an elite team, the Montreal Canadiens, from the late 1960s through the entire 1970s. His playing career yielded eight Stanley Cup rings and landed him in the Hall of Fame.

In his first three seasons as coach of the New Jersey Devils, Lemaire's teams have experienced one Stanley Cup championship and one narrow defeat in the Eastern Conference finals. Should they beat the New York Rangers in the Conference semifinals that began Friday night in the Meadowlands, the Devils will have reached the third round for the third time in his four seasons as their coach.

NHL PLAYOFFS

Colin Campbell, a 44-year-old English-Canadian from Ontario, was a modestly skilled defenseman for Pittsburgh, Colorado, Edmonton, Vancouver and Detroit from the mid-1970s through the mid-1980s. He never won a Stanley Cup ring as a player and he won't get into the players section of the Hall of Fame without an admission ticket.

In two seasons as head coach of the Rangers, Campbell's teams have never reached the Eastern Conference finals. Should they upset the Devils in this four-of-seven-games series, Campbell will have achieved his highest success as coach.

The paths and backgrounds of the two coaches are as different as their home provinces and as contrasting as Manhattan's urban streets and New Jersey's suburban highways.

So are their styles.

Lemaire, a man of few words in French or English, runs one of the tightest ships in the hockey business, controlling the movements of his players between games by sequestering them in hotels away from urban centers.

Campbell is glib and verbose, and his Rangers are what baseball people used to call a "country-club team." Stars of the Blue Shirts are frequently excused from practice and all the players get time set aside for golf or other relaxation on trips to the Sunbelt during the winter.

But Lemaire and Campbell also have certain things in common besides receding hairlines. When they are behind their benches, both are sharp-minded, well-prepared technicians who mix and match their personnel against that of the other coach, much like card players dealing and discarding from their hands at a poker table.

When their teams meet for the next week or two, the match between the coaches will be as interesting as anything on the ice.

If Campbell can coax peak performances from his superstars while deploying everyone else at the optimum time, he could score an upset that will secure his uncertain job stams and elevate his stature among his peers.

And if Lemaire's Devils should falter in the second round after winning the regular-season conference title, the result would raise new questions about an autocratic coach whose communication problems with his players were partly to blame for his team's missing the playoffs last spring as defending cup champions.

Asked about Campbell's use of players, Lemaire said: "I know they change lines quite a bit. They did in the past and they will, which I don't mind."

He added, vaguely, that Campbell likes to form new line combinations early in a game and then go back to his regular threesomes later.

Pressed to elaborate, Lemaire replied: "There's nothing with the coaches. It's the players. We don't do anything. We don't score goals. We don't make passes."

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	17	7	.708	—
Boston	13	12	.520	4½
New York	14	13	.519	4½
Toronto	11	13	.458	6
Detroit	11	16	.407	7½
CENTRAL DIVISION				
Milwaukee	12	11	.522	—
Cleveland	13	13	.500	½
Kansas City	12	12	.500	½
Minnesota	11	16	.407	3
Chicago	8	17	.320	5
WEST DIVISION				
Seattle	16	11	.593	—
Texas	14	10	.583	½
Anaheim	12	12	.500	2½
Oakland	13	14	.481	3

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	20	6	.769	—
Florida	15	11	.577	5
Montreal	13	12	.520	6½
New York	12	15	.444	8½
Philadelphia	8	17	.320	11½
CENTRAL DIVISION				
Houston	15	12	.556	—
Pittsburgh	13	13	.500	1½
St. Louis	12	14	.461	2½
Cincinnati	7	19	.269	7½
Chicago	6	20	.231	8½
WEST DIVISION				
Colorado	18	7	.720	—
San Francisco	17	8	.680	1
Los Angeles	14	11	.560	4
San Diego	10	15	.400	8

THURSDAY'S LINE SCORES

AMERICAN LEAGUE

Oakland 000 000 100—1 4 0
Cleveland 001 230 01x—7 8 1
W.Adams, R. Lewis (7) and Mayne; McDowell, M. Jackson (8) and S.Alomar. W—L. McDowell, 2-2. L—W. Adams, 1-3. HRs—Cleveland, Vizquel (1), Justice 2 (9).

Ramirez (6).
Baltimore 000 016 200—3 5 0
Minnesota 000 000 110—2 5 0
Erickson, Ro.Myers (9) and Webster; Aldred, Trombley (7), Naulty (9), Guardado (9) and Steinbach. W—Erickson, 4-1. L—Aldred, 1-3. Sv—Ro.Myers (11). HR—Minnesota, Lawton (7).
Toronto 000 000 000—0 4 0
Kansas City 002 221 00x—6 12 1
W.Williams, Piener (4), Timlin (7), Crabtree (8) and Santiago; Rosado, Mt.Williams (8), Converse (9) and Macfarlane. W—Rosado, 2-0. L—W. Williams, 0-2. HR—Kansas City, C. Davis (3).

NATIONAL LEAGUE

Atlanta 120 001 000—4 8 0
Cincinnati 000 001 100—2 6 1
Smoltz, Wohlers (9) and J. Lopez; Burba, Remlinger (7), Shaw (8) and Taubensee. W—Smoltz, 3-3. L—Burba, 3-3. Sv—Wohlers (7). HRs—Atlanta, Tucker (3), Klesko (3), J. Lopez (7).
Los Angeles 002 200 010—5 4 0
Philadelphia 000 000 000—0 9 0
Astacio and Princes Schilling, Mimbs (8) and Parent. W—Astacio, 3-0. L—Schilling, 3-3. HR—Los Angeles, Zeile (3).
Houston 000 000 000—0 3 0
Montreal 100 102 00x—4 8 0
Holt, Martin (7), Lima (8) and Eusebio; P.J.Martinez and Fletcher. W—P.J.Martinez, 4-0. L—Holt, 2-3. HR—Montreal, Fletcher (4).
Florida 000 000 020—2 6 0
St. Louis 200 100 00x—3 9 0
A.Fernandez, Cook (8) and Zaun; Morris, Perkowski (8), Eckersley (9) and Lampkin. W—Morris, 1-1. L—A. Fernandez, 3-3. Sv—Eckersley (6). HR—Florida, Zaun (1).
San Francisco 001 010 000—2 5 0
Pittsburgh 000 030 00x—3 6 2
Estes, Rao (6), R. Rodriguez (7), Tavarez (8) and Berryhill; R.Wilkins (6); Cooke, M. Wilkins (7), Rincon (8) and Kendall. W—Cooke, 2-3. L—Estes, 4-1. Sv—Rincon (1).
San Diego 011 110 300—7 12 2
New York 000 000 021—3 8 0
Ashby and Fisherty; Mlicki, Manuel (6), Kashiwada (8), R. Jordan (9) and Hundley, A. Castillo (8). W—Ashby, 2-1. L—Mlicki, 0-3. HRs—San Diego, Caminiti (2), G. Vaughn (6), Flaherty 2 (2).
Chicago 000 001 021—4 8 2
Colorado 002 002 10x—5 9 2
F.Castillo, Patterson (7), Rojas (7) and Servais; Swift, Dipoto (7), M. Munoz (8), McCurry (8), S. Reed (9) and Manwaring. W—Swift, 3-1. L—F. Castillo, 1-4. Sv—S. Reed (1). HRs—Chicago, Houston (1). Colorado, McCracken (2), Bichette (3).

BASKETBALL

NBA Playoffs

FIRST ROUND
(BEST-OF-FIVE)
THURSDAY'S RESULTS

Miami	25	14	25	27— 91
Orlando	27	26	20	26— 99

Mi: Mourning 9-18 5-11 23, Brown 6-11 8-10 20; O: P.Hardaway 12-23 13-16 41, Strong 6-9 3-5 15. Rebounds—Miami 51 (Brown, Mourning 13), Orlando 47 (Armstrong 9). Assists—Miami 22 (T.Hardaway 8), Orlando 12 (P.Hardaway 4).

(series tied 2-2)

Seattle	34	25	17	29	15—122
Phoenix	26	23	27	31	8—115

S: Payton 9-20 5-6 28, Schrempf 7-17 9-11 26; P: Johnson 7-19 8-9 23, Kidd 9-17 3-7 23. Rebounds—Seattle 63 (Kemp 20), Phoenix 53 (Manning 10). Assists—Seattle 33 (Payton 14), Phoenix 33 (Kidd 14).

(series tied 2-2)

ICE HOCKEY

World Championships

IN HELSINKI, FINLAND, POOL A

France 2, Germany 1

STANDINGS: Russia 7 points; Czech Republic 6; Finland 4; Slovakia 3; France 2; Germany 0.

IN TURKU, FINLAND, POOL B

Norway 2, Italy 2

STANDINGS: Sweden 6 points; U.S. 6; Canada 5; Italy 3; Latvia 1; Norway 1.

RUGBY UNION

Super 12

Wellington 19, New South Wales 3

STANDINGS: Auckland 35 points; Wellington 31; ACT 31; Natal 27; Gauteng 22; Free State 19; Canterbury 16; New South Wales 16; Northern Transvaal 14; Waikato 13; Otago 12; Queensland 10.

TENNIS

DEXONA CUP
FRIDAY, IN HAMBURG, GERMANY
QUARTERFINALS

Ruxandra Dragomir (7), Romania, def. Barbara Schett, Austria, 6-1, 7-5.
Anne Gaelle Sidot, France, def. Petra Langrova, Czech Republic, 6-1, 4-6, 6-1.
Iva Majoli (4), Croatia, def. Mary Pierce (5), France, 2-6, 6-4, 6-4.
Maria Sanchez-Lorenzo, Spain, def. Conchita Martinez (2), Spain, 7-5, 5-7, 6-2. (ri)

CROATIAN OPEN
FRIDAY, IN BOL, CROATIA
QUARTERFINALS

Corina Morariu, U.S., def. Jeanette Kruger, 6-1, 2-6, 6-4.
Emmanuelle Gagliardi, Switzerland, def. Marion Maruska, Austria, 6-4, 6-1.
Amanda Coetzer, South Africa, (1), def. Sarah Pitkowski, France, 6-4, 7-6 (7-3).
Mirjana Lucic, Croatia, def. Katarina Studenikova, Slovakia (4), 7-5, 6-4.

CZECH OPEN
FRIDAY, IN PRAGUE, CZECH REPUBLIC
QUARTERFINALS

Fabrice Santoro, France, def. Marcelo Rios (2), Chile, 4-6, 6-3, 6-0.
Bohdan Ulihrach (3), Czech Republic, def. Alberto Portas, Spain, 2-6, 6-4, 6-4.
Emilio Alvarez, Spain, def. Marcelo Craca, Germany, 6-3, 7-5.
Cedric Pioline (4), France, def. Richard Fromberg, Australia, 6-4, 4-6, 6-2.

BMW OPEN
FRIDAY, IN MUNICH, GERMANY
QUARTERFINALS

Alex Corretja (5), Spain, def. Martin Sinner, Germany, 5-7, 6-2, 6-1.
Mark Philippoussis (8), Australia, def. Andrea Gaudenzi, Italy, 7-5, 4-6, 6-4.
Slava Dosedel, Czech Republic, def. Frederik Fetterlein, Denmark, 7-5, 6-4.
Marc Rosset (7), Switzerland, def. Carlos Moya (2), Spain, 7-5, 7-6 (7-5).

DAVIS CUP
EURO/AFRICAN ZONE, GROUP 2
1ST ROUND
IN OSLO, NORWAY 2, NIGERIA 0
IN VILNIUS, LITHUANIA 0, YUGOSLAVIA 2
IN TBILISI, GEORGIA 1, SLOVENIA 1
IN HELSINKI, FINLAND 0, GREECE 2

TRANSITIONS

BASEBALL
MAJOR LEAGUE BASEBALL
NATIONAL LEAGUE

COLORADO—Put RHP Darren Holmes on the 15-day disabled list, retroactive to April 10.
PITTSBURGH—Optioned LHP Jeff Granger to Calgary, PCL.
ST. LOUIS—Activated RHP Andy Benes from 15-day disabled. Optioned C Mike Difelice to Louisville, AA. Put C Tom Pagnozzi and IF David Bell on 15-day disabled list. Recalled C Mike Difelice and C Danny Sheaffer from Louisville, AA.
SAN DIEGO—Put RHP Joey Hamilton on 15-day disabled list and INF Scott Livingstone on 15-day disabled list retroactive to April 29. Recalled RHP Marc Kroon from Las Vegas, PCL. Assigned OF Steve Finley to Rancho Cucamonga, CL on rehabilitation assignment. Purchased contract of INF Terry Shumpert from Las Vegas, PCL.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

KANSAS CITY—Signed OL Nathan Parks to 3-year contract.
NEW ENGLAND—Re-signed S Larry Whigham.
NEW YORK JETS—Signed LB Demetrius DuBose, DT Jason Ferguson and S Latish Kinsler.
NEW YORK GIANTS—Signed CB Kory Blackwell, FB Matt Calhoun, C Derek Engler, DE Harold Gragg, K-P Brian Hurley, S James Johnson, RB Eric Lane, S Tyrell McMullen, OT Dave Rilatt, WR Brian Roberson, WR John Washington and DB Marc Williams.
SAN DIEGO—Signed WR Tony Martin to 4-year contract.
SAN FRANCISCO—Signed DB Mike Salmon to 2-year contract. Signed WR Nati Benjamin, DE Marty Cotwright, K Ryan Longwell, WR Michael McDaniel, RB Shon Mitchell, P Tucker Phillips, DE Carlos Thorton, WR Rashaan Vanterpool, RB Akili King and DT Brandon Noble. Agreed to terms with G Tim Hanshaw and G Rod Milstead.

CANADIAN FOOTBALL LEAGUE

HAMILTON—Signed CB Cedric Allen, WR Tony Knox and WR Prince Wimbley III.
MONTREAL—Signed RB Mike Pringle to 2-year contract. Signed QB Tracy Ham, FB Willie Murray, S Brian Clark, DE Edward Thomas, WR Phillip Bobo, WR Marcus Wall, WR Terrance Porter and WR Andy Antoine. Traded RB Dexter Dawson to Winnipeg for DE Stacy Evans and Chris Tsangaris to British Columbia for future considerations.

WORLD LEAGUE

AMSTERDAM—Signed QB Perry Klein and S Kelly Sims. Put C Earl Scott on injured reserve. Waived QB John Sacco.
BARCELONA—Signed DE Steve Brannon and QB Jake Kelchner, LB Ronnie Woolfork. Waived RB Bruce Presley. Activated TE Andy Fuller. Put DE Car Reeves and DE Hugh Hunter on injured reserve.
FRANKFURT—Put CB Volker Schenk on injured reserve.
LONDON—Activated WR Terence Davis and P Greg Ivy. Put WR Jason Byworth on injured reserve.
RHEIN FIRE—Signed G Barry Stokes. Activated WR Dirkl Mase. Put G Keith Wagner on injured reserve.
SCOTTISH CLAYMORES—Signed CB Fredric Ford. Waived LB Ron Maron. Activated DT David Barnard.

HOCKEY
NATIONAL HOCKEY LEAGUE

NHL—Suspended Buffalo G Dominik Hasek three games and fined him $10,000 for grabbing a reporter who had written a critical column.
EDMONTON—Announced the resignation of assistant coach Kevin Primeau.

THE WEEK AHEAD

Saturday, May 3

AUTO RACING, Ajaccio, Corsica — FIA, Corsican Rally, to May 7.
CRICKET, Barbados — 1-day International, West Indies vs. India.
ICE HOCKEY, Helsinki, Turku and Tampere, Finland — IIHF, World Championships, to May 14.
GOLF, Men: Brescia, Italy — European PGA, Italian Open, to May 4; The Woodlands, Texas — U.S. PGA Tour, Shell Houston Open, to May 4; Aichi, Japan — Japan PGA, Chunichi Crowns Open, to May 4; Birmingham, Alabama — U.S. Senior PGA Tour, Bruno's Memorial Classic, to May 4. Women: Daytona Beach, Florida — U.S. LPGA, Sprint Titleholders Championship, to May 4; Sakaide, Japan — Japan LPGA, Kochidoki Queens, to May 4.
HORSE RACING, Louisville, Kentucky — Kentucky Derby; Newmarket, England — 2000 Guineas.
LACROSSE, Tokyo — IFWLA, women, 5th World Cup, to May 4.
TENNIS, Women, WTA Tour: Bol, Croatia — Croatian Bol Ladies Open, to May 4; Hamburg, Germany — Rexona Cup, to May 4. Men, ATP Tour: Munich, Germany — BMW Open, to May 4; Atlanta, Georgia — AT and T Challenge, to May 4; Prague, Czech Republic — Czech Open, to May 4. Davis Cup, Euro-African Zone, Group 2, First round: Norway vs. Nigeria; Georgia vs. Slovenia; Egypt vs. Portugal; Lithuania vs. Yugoslavia; Ivory Coast vs. Latvia; Poland vs. Ghana; Ireland vs. Belarus; Finland vs. Greece.
TABLE TENNIS, Manchester, England — ITTF, World Championships, to May 5.
RUGBY LEAGUE, Wembley, England — Challenge Cup final, Bradford Bulls vs. St. Helens.
RUGBY UNION, Tokyo — Pacific Rim Championship, Japan vs. Hong Kong. Various sites — Super 12, Queensland vs. Natal; Northern Transvaal vs. Canterbury; Waikato vs. Gauteng; Otago vs. Auckland.

Monday, April May 5

TENNIS, Rome — women, WTA Tour, Italian Open, to May 11. Men, ATP Tour: Hamburg, Germany — German Open, to May 11; Coral Springs, Florida — America's Red Clay Tennis Championship, to May 11.

Tuesday, May 6

SOCCER, Zurich, Switzerland — FIFA meeting with 2002 World Cup organizers.

Wednesday, May 7

SOCCER, Kiev, Ukraine — FIFA, World Cup qualifying, Ukraine vs. Armenia; Gelsenkirchen, Germany — UEFA Cup Final, first leg, Schalke 04 vs. Inter-Milan.
WRESTLING, Varsovia, Poland — women, FILA, Women's European Championships, to May 10.

Thursday, May 8

Badminton, England — equestrian, Badminton Horse Trials, to May 11.
GOLF, Men, Thame, England — PGA European Tour, Benson and Hedges International Open, to May 11; Duluth, Georgia — U.S. PGA Tour, BellSouth Classic, to May 11. Women, Tokyo — Japan LPGA, Gunze Cup World Ladies, to May 11.
SOCCER, Kuwait — FIFA, World Cup qualifying, Kuwait vs. Lebanon.

Friday, May 9

GOLF, Women, Old Hickory, Tennessee — U.S. LPGA, Sara Lee Classic, to May 11.
RUGBY UNION, Various sites — Super 12, ACT vs. Waikato; Otago vs. New South Wales.

Sunday, May 4

ATHLETICS, Rio de Janeiro, Brazil — men, women, IAAF, Brazil Grand Prix (class I).
HORSE RACING, Newmarket, England — 1000 Guineas.
MOTORCYCLE RACING, Jerez de la Frontera, Spain — FIM, Spanish Grand Prix.
SOCCER, Various sites — FIFA, World Cup qualifying; El Salvador vs. Costa Rica; Turkmenistan vs. China; Tajikistan vs. Vietnam.

DENNIS THE MENACE

"HE SURE DOESN'T LOOK LIKE SOMEBODY WHO LAUGHS ALL THE WAY TO THE BANK!"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KILSY
GOOLI
REEFIC
HUSTYP

Like sleeping on a cloud

A TACTIC THE MATTRESS SALESMAN USED

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here : THE "____" ____ (Answers Monday)

Yesterday's Jumbles: FLOOR PLAID BOTANY RELISH
Answer: What the player considered the coach's request — A TALL ORDER

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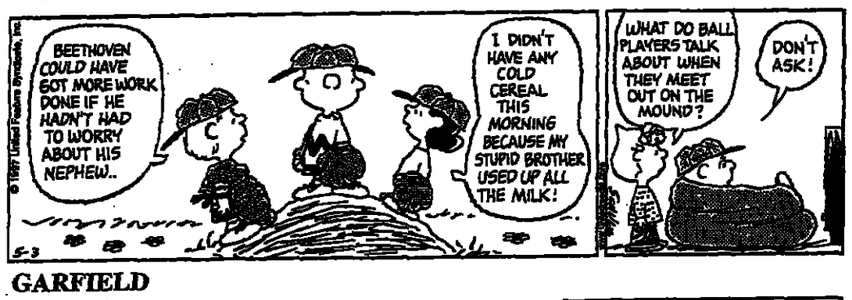
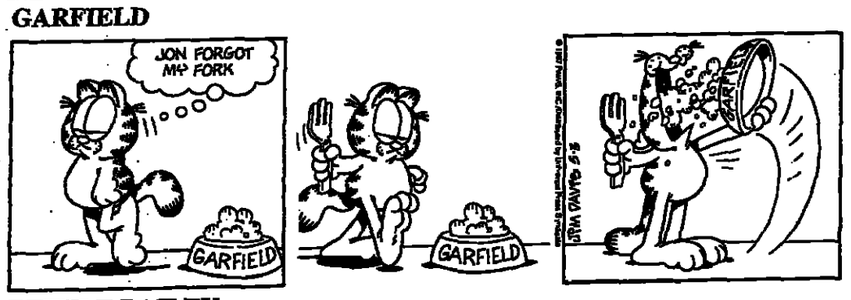
PEANUTS



CALVIN AND HOBBES

GARFIELD



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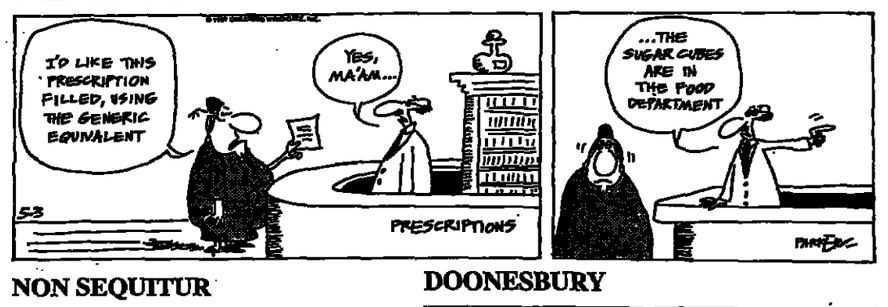
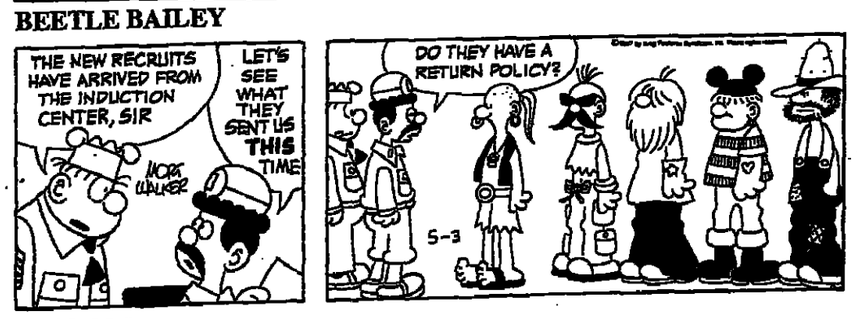


BEETLE BAILEY



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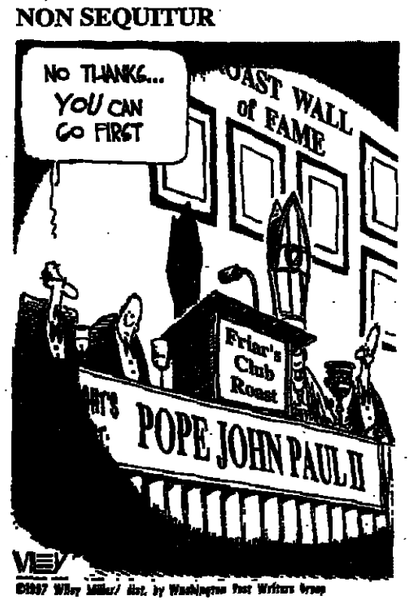
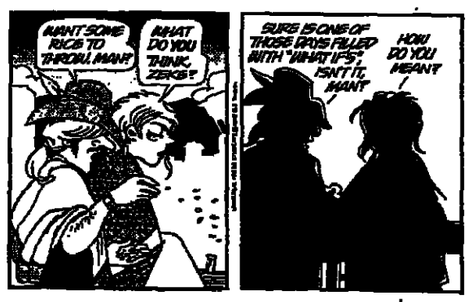


DOONESBURY



BLONDIE

DAVE BARRY

Dog Spit as Medical Miracle

MIAMI — Our topic today, on Breakthroughs in Medicine, is: New Hope From Dog Spit.

I have here some very exciting scientific correspondence from William B. Yancey, M.D., who is a medical doctor and therefore legally allowed to (1) park anywhere; (2) give shots; (3) tell people to get naked, and (4) make scientific observations. Dr. Yancey wrote to me about an observation that he scientifically made regarding his Labrador retriever, named Refrigerator.

Refrigerator recently underwent hip surgery: in preparation for the operation, the veterinarian shaved his hindquarters. Then, realizing his mistake, he also shaved Refrigerator's hindquarters.

No, seriously, the veterinarian's hindquarters have nothing to do with this, and I am instructing the jury to disregard them. The point is that Refrigerator had all the fur removed from his rear end (or, in medical parlance, his "bazooty").

If you know anything about dogs, you know how Refrigerator spent his recuperation period: He licked himself pretty much full time. Dogs are very big believers in the healing power of licking.

If dogs operated a hospital, here's how it would work: A patient would arrive in the Emergency Room, and a team of doctor dogs would gather around to conduct an examination, which would consist of thoroughly sniffing the patient. (They would also sniff the floor, in case anybody had left food lying around.) Then the doctor dogs would hold a conference, and whatever the patient's symptoms, — coughing, lack of pulse, a spear passing all the way through the patient's head — the doctor dogs would agree that the best course of treatment was: licking.

□

And we're talking about a LOT of licking. Not just the patient licking himself or herself; but also the doctors licking the patient, licking themselves, and licking the other doctors. This is state-of-the-art care for dogs. Their equivalent of a CAT scan machine would be a big tube filled with tongues.

So anyway, after his operation, Refrigerator was performing medical care on himself, and Dr. Yancey made a scientific observation; namely, that Refrigerator's hair "has grown fastest in the areas where he has spent significant time licking himself."

Using this observation, Dr. Yancey was able to form a scientific hypothesis — a term that is formed from two Greek words, "hy," which means "something," and "pothesis," which means "that pops into your head while you are watching a dog lick itself after you have maybe had a couple of brewskis."

Dr. Yancey's hypothesis is this: Dog spit grows hair. In fact, Dr. Yancey believes that unwanted hair, such as facial hair on women and nose hair on men, probably did not exist until the human race domesticated dogs and started getting licked all the time.

But the more important implication is that dog spit could be a revolutionary new hair-growth treatment for balding men. Granted, we do not yet have actual laboratory PROOF of this. But we do have a published report in the form of this column, which has been printed in a newspaper with professional-looking margins.

Dogs are very big believers in the healing power of licking.

So I think it's time to move past the research phase of Dr. Yancey's hypothesis and go directly to the phase where we unleash the power of this amazing discovery to benefit humanity, to make the world a better place, and most important — to make money.

□

Specifically what I am thinking of is a franchised line of hair-growth salons, perhaps with a sophisticated name such as La Spitte Du Chien Pour Les Hommes. Upon arriving at a salon, a client would undergo a pretreatment interview, during which he would be asked a series of scientific questions ("Do you have money?" "How much?"). The client would then be ushered into the Preparation Area, where his scalp would be coated with a scientifically designed, nutrition-enhanced, precision-balanced formulation consisting of Skippy brand peanut butter.

Finally the client would enter the Treatment Area, where he would be instructed to lie down on the floor with his arms at his sides. A door would then be opened, and a professional Hair Growth Technician, barking loudly, would sprint into the room at upwards of 400 miles per hour, skid to a stop, and begin enthusiastically treating the client's scalp.

I grant you that this procedure has a few wrinkles that need to be worked out, such as the issue of creamy vs. chunky. But basically I think it makes at least as much scientific sense as the baldness cures you see advertised in magazines.

I see no reason why we can't go ahead and start setting up franchise salons, and if any government agencies such as the Food and Drug Administration have any questions, well, they can just send their inspectors around to meet with our Board of Directors, Big Boy and Fang. They LOVE inspectors. It's their favorite meal.

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Happy Memories of Gray Paris in the '50s

International Herald Tribune

MARY BLUME

PARIS — The City of Paris has the pleasant custom of occasionally putting on exhibitions devoted to the ordinary life of its inhabitants, purposely modest shows recording the memories of an epoch.

The present show, at 29 Rue de Rivoli until Sept. 1, "C'Etait Paris dans les Annees 50," tells about life in the 1950s, and is, says its curator, Marie-Helene Parinaud, the first one that is interactive. She uses the word not in its high-tech sense, but simply to indicate that thousands of members of the public participated by lending all the objects and photographs on view. Nothing is of value, except to its lenders, and the fact that the show is so humble lends an air of reality.

Editmedia-Universal

The horse and motor ages overlapping in Paris — the scene is 1955 along Boulevard Saint-Martin.

It also makes such a show harder to put on than one with grander aspirations. "I'd have no problem borrowing a Dior dress," Parinaud says. "I'd get it in five minutes. But to find a blouse made by a neighborhood dressmaker is a lot harder, it's a miracle."

Luckily, Parisians seem to have kept such relics as ration tickets, cheese boxes, bobby pins, toys, newspapers, old banknotes, pre-transistor radios in fake wood, and little veiled hats made not by famous milliners but by small *modistes* or by the wearers themselves. As a complement there is a catalogue of collected memories, most of them from ordinary citizens.

The show opens with a dummy wearing a policeman's uniform of the time — round kepi and heavy cloak (though not as heavy as the real thing, which had weights sewn in the hems so they could be swung as weapons during riots). It begins with the war's end in 1945 and ends in 1959. The period covered is one of poverty and hope.

It was a time when ordinary people had iceboxes and not refrigerators, and blocks of ice were still delivered by horse-drawn wagons, when there were first-run and neighborhood movie houses, not multiplexes, when the sign "eau a tous les etages" meant that many apartments had no running water of their own. Schoolkids wore dark smocks and teachers thought theirs was the finest profession in the world. Streets were empty enough to play in, busses had open platforms at the back, lottery tickets were sold from outdoor booths, the Metro had wooden seats and tickets were punched by uniformed attendants.

Prisoners of war and deportees were delivered to the Gare du Nord or the Gare de l'Est and deposited at the Hotel Lutetia for processing. Food was scarce and the bread, says one witness, was yellow and heavy because the minister in charge spoke British, and not American, English and asked the Americans for "corn," the British word for wheat. The black market thrived but is hardly mentioned, although one witness says it was particularly active for false teeth.

Coal was rationed and one witness recalls that in the icy winter of 1945-46, his father would go to Boulevard des Batignolles, which was still paved with tar-coated wood blocks, to find odorous firewood.

Streets echoed with the cries of knife-grinders, and window-pane installers, food sellers, the noise of metal garbage bins being collected, and street singers. If Bandit and Sortilege were coveted perfumes, the streets smelled more of unwashed Parisians (street sweepers were allowed one shower a week) and the metal outdoor toilets called *vespasiennes*.

It was a time of privation and great joy and discovery — of jazz and blue jeans, nylon stockings and parachutes (excellent for wedding dresses) and of the GIs who brought them. The theme of the show is recovered pleasures in a very gray Paris whose facades had not yet been cleaned under order of De Gaulle's minister of culture, Andre Malraux.

Paris was divided into villages, each with its own atmosphere, and people went out as much as possible to escape their overcrowded flats (many would hock their winter clothes in summer and vice versa, using the municipal pawnshop as a huge closet). Everything was on a smaller scale. One witness recalls a grocery store-café on Place Dauphine so tiny that the regulation sign about public drunkenness, "Loi sur la repression de l'ivresse publique," had to be glued on the ceiling.

The show has record jackets and posters for new stars such as Yves Montand or the Compagnons de la Chanson and for the operettas in which the emollient Luis Mariano gleamed. There was a Luna Park at Porte Maillot, and six-day bicycle races at the Velodrome d'hiver.

The model living rooms and kitchens show spindly legged furniture covered in synthetic materials, formica in the kitchens and, as a sign of new prosperity, a primitive washing machine and a bulging Frigidaire. There is also a 4CV Renault: Waiting lists for new cars could last for years and two of the most popular annual exhibitions were the automobile show and the Salon des Arts Menagers, or household equipment, both held at the prestigious Grand Palais.

By 1954 Abbe Pierre had founded his mission to help the poor, in its way a sign of growing prosperity because earlier people would have had nothing to donate. The same year automobile horns were banned and parking tickets began to be issued. Also in 1954, there was a Vespa rally, the nicely designed motorized bicycle having had a huge success, especially among the young, and Citroen introduced a luxury sedan, the DS.

The first Club Mediterranee opened in 1950, although no one mentions it, but a suggestion of brighter, and looser, times ahead comes with the popularity of gingham dresses introduced by Brigitte Bardot in "Et Dieu Crea la Femme."

The show gives a feeling of a happy and hopeful time, which is clearly how those who lived it want to remember it. No one mentions the Marshall Plan, the Cold War, the loss of Indochina, the start of the Algerian war. Parinaud says that the witnesses she spoke to didn't remember who the president of the Republic was at the time, or speak of the strikes, the regiments that were going off to fight. "No, no, not a word," she says.

She added a few newspaper headlines about world events (softened by such news as Callas flying from Orly to Milan and Princess Elizabeth's measles). "Contrary to what people say, it wasn't all as rose-colored as that," she says. "People beautify things — it was past and so it was good."

Of today's French population, 67 percent had not been born in 1950. For the others, nostalgia is all that it used to be, and then some.

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PEOPLE

MONTHS of hype about "Ellen's" coming-out episode paid off handsomely for ABC as an estimated 42 million viewers gave it the highest rating of any regularly scheduled show on the network this season. The hour-long episode, in which the title character acknowledges that she is a lesbian, was accompanied by a public announcement by the show's star, **Ellen DeGeneres**, that she herself is a lesbian. Chrysler, a regular "Ellen" sponsor that pulled out of this episode, had to set up a phone line to deal with the calls about its decision. Next week's "Ellen" episode, which features the homosexual rights activist **Chastity Bono**, will be about DeGeneres's character telling her parents that she is gay.

□

Some international celebrities are in Washington as part of the festivities surrounding the dedication of the FDR Memorial on Friday. **Princess Margriet** of the Netherlands, the sister of **Queen Beatrix** and goddaughter of **Franklin D. Roosevelt**, christened a new orange-yellow rose for him at the Netherlands Embassy. Roosevelt means rose field in Dutch; the family's founding father in America, **Claes Martenszen van Rosenvelt**, arrived in New Amsterdam from Holland before 1648. And **Vice President Al Gore** and **Anne Roosevelt**, a granddaughter of the president, presented the Franklin D. Roosevelt Freedom Medal to **Katharine Graham**, chairman of the executive committee of The Washington Post Co.

□

The Beats go on. Poet and publisher **Lawrence Ferlinghetti** opened a City Lights bookstore in Italy with a tribute to his friend and fellow Beat poet **Allen Ginsberg**, who died on April 20. Ferlinghetti's City Lights bookstore and publishing company in San Francisco has been an avant-garde landmark since the heyday of the Beats in the 1950s. City Lights Books published Ginsberg's revolutionary poem "Howl!" in 1956.

□

Pooja Bhatt, a leading film actress in India, has been totally exonerated by police after a magazine cover purported to display her in the nude, newspapers said. Bombay's police commissioner was quoted as saying that authorities were convinced that Bhatt had not posed for the photograph and her face had been superimposed on somebody else's half-naked body. The picture triggered noisy demonstrations by Hindu nationalist women's groups outside Bhatt's Bombay house. The women burnt copies of the magazine and shouted slogans denouncing her for vulgarity.

Yi Ann/The Associated Press

MAN OF MANY FACES — Sun Yat-sen's portrait, made of many mini-portraits of the statesman, is part of a collection of paintings on show in a Taipei gallery.

□

The pocketwatch of an American-born doctor executed more than 80 years ago for murdering his wife has sold for $16,000, showing that **Hawley Harvey Crippen** still has the power to fascinate. After frantic bidding at an auction at Christie's of Crippen memorabilia, a retired banker paid 10 times the estimated value of the American-made timepiece. Crippen was executed in 1910 for killing his adulterous wife, a music hall singer, dismembering her body and burying her torso in quicklime in the coal cellar of their house.

□

Rick Parfitt, the lead guitarist of the British rock group **Status Quo**, underwent an emergency quadruple heart bypass. The band's forthcoming tour of Britain and Europe over the next three months has been canceled, but the 48-year-old rocker is expected to make a full recovery.

□

Jacqueline Hagopian has been feeding the pigeons in Pasadena, California, since 1972. But on May 12 she is due to stand trial for violating a 1964 ordinance that makes feeding pigeons on public streets a misdemeanor. The maximum sentence is six months in jail and a fine of $500. The 57-year-old woman, who lives on disability checks, spends $10 a day for birdseed to feed hundreds of birds each morning.

□

Mike Tyson, 30, has quietly married his doctor girlfriend, **Monica Turner**, 31, in a small, private Muslim ceremony at her expansive home in Bethesda, Maryland, according to sources close to the couple. Then he hustled off to Las Vegas to train for his June 28 bout with **Evander Holyfield**. Turner, who faithfully visited Tyson during his three-year imprisonment for rape, gave birth to their daughter in February 1996. She is pregnant again.

□

George Bush took off on a sunset flight from Houston Intercontinental Airport and returned 50 minutes later to George Bush Intercontinental Airport. Bush was on a flight to mark the renaming of the airport.

Is It Curtains for the Trumps?

Donald Trump and **Marla Maples**, his wife of three years, are on the verge of breaking up, the New York Post reported. "Donald wants out. He's looking for his freedom," the newspaper said, quoting unidentified sources. But one source said the report was a ploy to boost ratings for the Trump-owned Miss Universe pageant on May 16. An affair between the 50-year-old real estate tycoon and the former Georgia beauty pageant contestant 17 years his junior led to his 1990 divorce from **Ivana Trump**. Trump and Maples married on Dec. 20, 1993. Another source told the paper that the couple could be separated by June, and their prenuptial agreement would give her $1 million to $5 million and would double by the end of the year. Trump and Maples have a 4-year-old daughter, Tiffany. A call to Trump's spokeswoman was not returned. A spokeswoman for Maples told the paper the report of the separation was untrue.